

EUROPEAN NEWS

MONOPOLY TO BE ABOLISHED

Poland plans sweeping telecommunications reform

By Hugo Dixon in Warsaw

THE POLISH GOVERNMENT plans sweeping reforms to demobilise its telecommunications industry as part of an ambitious plan to expand and modernise telecommunications facilities in the country.

The programme, which is due to be finalised in the next few weeks, is likely to involve breaking the monopoly currently held by the Polish Post, Telegraph and Telephone Company (PPTT) in all telecommunications services. New companies are expected to be licensed to provide international, long-distance, local, mobile and data services in competition with the PPTT.

Over the next two years, the PPTT is also likely to be split into three separate enterprises covering postal, telecommunications and radio communications services. The telephone company would be further sub-divided into several regional units and a long distance network, in much the same way that AT&T of the US was broken up six years ago.

The proposals, which would be the most radical reform of telecommunications attempted by a leading country, stemmed from widespread dissatisfaction with the PPTT and a realisation that the fast development of telecommunications is a priority if the rest of the Polish economy is to move forward.

By demonopolising the industry, the Government

expects to attract large amounts of private capital to help with the modernisation programme.

Details of the programme remain to be determined. This is partly because the Ministry of Communications failed to convince the rest of the Government at a series of meetings during the past week that its plans for investing \$14bn in modernising the network over the next decade were realistic.

The main issues that are still to be determined are the extent to which foreign companies will be allowed to offer long

distance and international network is expected to be signed by the end of the year.

Polish telecommunications manufacturers are negotiating joint ventures with Alcatel CTT of France, Alcatel SESA of Spain, Siemens and Ericsson of Sweden to manufacture digital exchanges. The Spanish Government has offered a \$40m loan in connection with the Alcatel-SESA deal, while West Germany has offered a loan of about the same size in connection with Siemens.

Two cellular licences will be awarded later this year - one to a totally private consortium and the other to a consortium in alliance with the PPTT.

Mr Szuder said there could be up to 200,000 cellular users in several years time.

Once the programme has been agreed by the Government, Poland's parliament will be asked to amend the law which currently guarantees the PPTT monopoly.

West German Social Democrat Oskar Lafontaine said yesterday his party supported Poland's demand that a treaty guaranteeing the existing Polish-German border should be initiated by both German states before unification, Reuter adds.

The SPD shares the opinion that negotiations with the two German states should start soon in order to initiate the treaty.

Mr Lafontaine told a news conference.

Although the Prime Minister failed to receive the specific endorsement he sought from opposition parties, a number of

them including the Catalan and the Basque nationalist deputies and the small liberal group led by former premier Adolfo Suarez, abstained in the final vote thereby indicating that he is unlikely to face major difficulties in the legislature during his four year mandate.

Other opposition groups, including the main opposition party the conservative Partido Popular and the Communist party, used the debate as an opportunity to reiterate calls for the resignation of deputy Prime Minister Alfonso Guerra whose brother is being investigated in connection with allegations of corruption.

In another development Interior Ministry sources said yesterday that a string of arrests in south-west France of suspected Basque terrorists consti-

tuted "the most significant blow to date" to the separatist organisation Eta.

A total of nine detentions followed the arrest on Monday of a French national in the Southern Spanish city of Seville where he was allegedly preparing a series of bomb attacks.

The sources said that the arrest of Mr Henri Parrot had led to the detention, in collaboration with French police, of Eta's main operational group of gunmen.

This group, which includes Frenchmen as well as Spaniards, had never been previously identified by Madrid's security forces who regularly issue lists of suspected terrorists.

It is said to have been involved in more than 30 murders in recent years.

President Felipe Gonzalez surviving his first confidence vote in the new legislature

Gonzalez wins first vote of confidence in new legislature

By Tom Burns in Madrid

SPAIN'S SOCIALIST Prime Minister Felipe Gonzalez yesterday won his first vote of confidence in the new legislature but failed to draw major opposition groups into a wide-ranging policy consensus to face the challenge of the deregulation of the European Community.

The debate, held after the staging of re-votes in constituencies where courts upheld allegations of fraud during general elections last December, allowed Mr Gonzalez to gauge his support in the chamber, where with 175 seats, exactly half the total number, he lacks an overall majority for the first time since he first took power in 1982.

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told reporters that an international fund should be set up to assist the Soviet Union in dealing with what he termed a "global phenomenon."

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Moscow and Baltic states set for clash over conscription

By Mark Nicholson in Moscow

THE breakaway Soviet Baltic republics yesterday defied fresh warnings by Mr Mikhail Gorbachev, the Soviet leader, to back away from independence and looked set on a collision course with Moscow over military conscription.

Moscow also stepped up the pressure on Lithuania yesterday, intensifying KGB checks on vessels entering the republic's ports. This was being done to prevent the supply of war materials and weapons. Lieutenant V. Shlyakhtin told Pravda, the government newspaper.

Lithuanian officials reported that up to 50 armed troops took control of the procurator's office in Vilnius, the republic's capital, yesterday afternoon. The office had been occupied by Interior Ministry troops after Moscow dismissed the locally-appointed procurator for "gross violation" of Soviet laws.

The parliaments of both Lithuania and Estonia yesterday prepared to issue statements reasserting their determination to secede.

Meanwhile, the Latvian Communist Party will open a two-day congress today at which it is almost certain to make its own snub to Moscow by enlisting its basic counterparts and splitting from the Soviet party.

Baltic resistance to the spring military call-up looked set yesterday to provide the most immediate flashpoint between the rebel republics and Moscow, after the defence ministry issued a strong statement condemning anti-draft movements in all three states.

Soviet military leaders have

been increasingly vocal in their denunciations of independence movements in the strategically vital Baltics and have focused their attack on the boycott of the draft.

Elected leaders in Estonia and Lithuania have shied away from outright calls for young men to resist the call - which they fear would prompt even sterner action from Moscow - but they have not discouraged nationalists from pursuing vigorous anti-draft campaigns.

The Estonian parliament is seeking to drop the sections of the republic's conscription law which make it a punishable offence to avoid the call-up.

In the face of this resistance, military leaders in the republic have warned that they will haul draft dodgers before military tribunals.

However, Mr Egdis Bichauskas, the Lithuanian representative in Moscow, yesterday indicated that the republic was willing to seek some compromise.

The Soviet Union yesterday offered assurances to nervous foreign investors that it remained a safe haven for investment in spite of reports of late debt payments by some Soviet organisations, Reuter reports from Moscow.

Mr Stanislav Shatalin, an economist and member of President Mikhail Gorbachev's 16-man advisory council, said the Kremlin was keeping a close eye on the protection of foreign investment.

"The USSR was and will be a reliable business partner," he told Reuters Moscow's news service Interfax.

Slovak leaders seek their independence

MR Jan Carnogursky, the Czechoslovak Vice Premier, in an interview published yesterday, said he wished to see his republic of Slovakia independent of the Czech lands, AP reports from Prague.

Mr Carnogursky said: "Europe is headed towards integration. When it becomes a reality one day, we would like to join it as an independent subject."

However, Mr Carnogursky, a veteran human rights campaigner who was catapulted into power last November following the overthrow of the communist regime, cautiously suggested that the extremely close economic ties between Slovakia and the Czech lands made it virtually impossible for the two republics to separate immediately.

"Right now, Slovakia does not even have what it takes," he said, adding Slovak independence and gradual dissolution

of the Czechoslovak Federation is the final objective.

Mr Carnogursky's comments follow a resurgence of ethnic tensions between Czechs and Slovaks, triggered by a recent parliamentary dispute over the country's name.

Slovakia, who make up one third of the country's 15.5m people, demanded a hyphenated version - Czechoslovakia - to strengthen their national identity, a demand considered by most Czechs as petty nationalism.

After a compromise solution was adopted, allowing both versions to be used, some 20,000 people demonstrated in the Slovak capital of Bratislava on March 30, demanding an independent Slovak state.

Czechoslovak President Vaclav Havel, who is a Czech, as well as the premiers of both republics expressed opposition to secession.

France 'ready to discuss reform of Nato alliance'

By Ian Davidson in Paris

FRANCE is ready to discuss the reform of Nato if it were to lead to a more truly European defence within the Atlantic Alliance, according to an official at the Elysée, the offices of President Mitterrand.

The official, who asked not to be identified, said: "If a discussion were to open on a truly more European defence, that is to say with the maintenance of

the Treaty of Washington, but with serious modifications of the existing organisations, then France would be available for such a discussion if it concerned changes and reforms."

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Sweden's Social Democrats seek deal with Liberals

By John Burton in Stockholm

SWEDEN'S Social Democratic Government held talks yesterday with the opposition Liberal Party on a package of austerity measures, as an economic forecast warned that Sweden could be heading for higher unemployment if inflation was not curbed.

The talks follow the collapse of the government's voluntary wage restraint plan earlier in the week. Among the measures being discussed would be a temporary increase in VAT rates and a lower increase than planned in child care payments to help curb an expected increase in consumer spending.

Generous sickness pay rates, which encourage workers absenteeism, could also be cut. A planned expansion of parental leave from 12 to 15 months and an increase from five to six weeks in annual holiday might also be delayed in order to relieve pressure on Sweden's tight labour market, which is driving up wage costs.

Liberal Party support would ensure the minority government could pass the measures in parliament later

this month. Economists from the state-controlled Riksbank warned that the modest measures were not drastic enough to halt Sweden's accelerating economic crisis, with production costs exceeding those of its major trade competitors.

In their economic forecast presented yesterday, they painted a bleak picture of unemployment growing to 2.1 per cent in 1991 from 1.5 per cent now, weaker GDP growth of 0.3 per cent from 1.8 per cent in 1988, and a 10 per cent fall in industrial investment. They predicted consumer price inflation of 10.5 per cent in 1990 and 9.5 per cent in 1991 compared with 6.5 per cent in 1989, and a widening current account deficit of SKr75bn last year, up from SKr29bn last year.

Svenka Handelsbanken, another big Swedish bank, predicted earlier this week that the unemployment rate may have to reach 4 or 5 per cent in order to reduce wage growth, which is the main factor behind Sweden's growing inflation rate.

Modern-day Athena galvanises Greek left

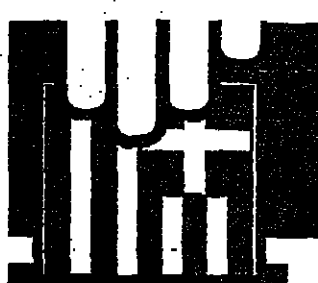
Kerin Hope reports on the emergence of a rising Communist star

GREECE'S Left Alliance held a rally in central Athens yesterday at which the keynote speaker was Mrs Maria Damanaki, a Communist member of parliament who is being promoted as the party's rising star. Red banners flanked the speaker, and the crowd gathered in the Playing Field of Ares, a park overlooked by a statue of Athena, the ancient city's patron goddess, wielding a spear.

The rally, which wrapped up the Alliance campaign for Sunday's election, marked a political rite of passage for Mrs Damanaki, 38, a chemical engineer who joined the Greek Communist Party when it was still an outlawed underground movement.

Her emergence as a possible successor to Mr Harilaos Florakis, the veteran Communist who heads the Alliance — a union of the Communists with the much smaller and more intellectual Greek Left party — is the first public sign that he wants to retire. But it also diverts attention from the party's current troubles.

Mrs Damanaki's political career began dramatically during the 1973 rebellion at the Athens Polytechnic School against the colonels' dictatorship. She became known as the "Voice of the Polytechnic," the announcer on the students' short-lived radio station.



GREEK ELECTIONS

After the Communist Party was legalised with the return of democracy, Mrs Damanaki was elected to parliament, where as Deputy Speaker during the past five months of all-party rule she earned widespread respect for her ability to keep unruly deputies in order.

"She would be quite an appropriate person to define the Greek left's approach to the future. I don't think having a woman as a party leader would be a handicap," says Mr Christos Papoutsakis, the publisher of the left-wing magazine Anti.

It has been downhill all the way for the Alliance since its moment of glory last summer when Mr Florakis, 75, became the first Communist leader in western Europe to be asked to form a government.

Greece's current account deficit soared to a record \$1.15bn in the first two months of 1990, a dramatic increase over last year's figure of \$1.45bn, according to central bank figures.

The February deficit totalled \$620m, compared to \$135m for 1989. The visible trade gap for January and

February, fuelled by a sharp increase in imports, rose to \$1.91bn from \$1.32bn last year.

Although inflows from tourism and shipping improved, invisible receipts declined overall to \$765m from \$1.1bn in 1989, mainly because of reduced transfers from Greeks living abroad.

His coalition with the conservative New Democracy party healed the bitter left-right divisions which remained from the civil war of the late 1940s, when the Communists were defeated by US-backed nationalists.

The partnership was intended to clean up a set of financial scandals which brought down the Socialist government of Mr Andreas Papandreu.

But it angered many traditional Communists and supporters for the Alliance fell from 38 per cent in June to 11 per cent at the November election, which also resulted in a hung parliament.

As the junior member in an "ecumenical" government, the Alliance further surprised its supporters by pushing through legislation to privatise 25 all-union industrial companies nationalised under the Socialists in order to save jobs.

The then-Industry Minister,

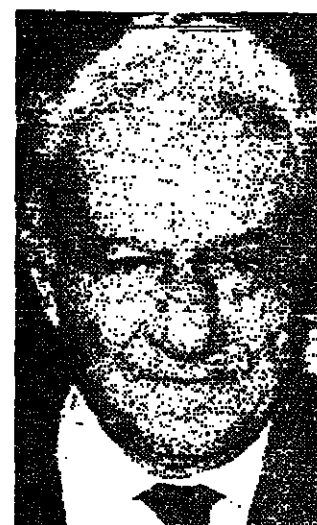
Mr Grigoris Yiannaros, a Moscow-trained economist, took advantage of the changes in eastern Europe to promote sell-offs and closures of debt-ridden companies in exchange for the retraining of about 5,000 workers at state expense.

The collapse of communism in countries to the north of Greece has plunged the Alliance into ideological turmoil, but its voters are deserting over a more parochial issue.

In this election, the party has decided to join forces with the Socialists in five single-seat constituencies which might decide the poll.

This raises the prospect of a Socialist-Communist coalition government in the event of another hung parliament.

Mr Florakis says the intention is to block a conservative majority. But the electoral pact with the Socialists could backfire. A sizeable number of left-wing voters believe the Alliance has betrayed its



Harilaos Florakis: downhill all the way

pledge not to co-operate with the scandal-torn Socialists for the sake of clinging to power.

Opinion polls suggest the Alliance may lose another two percentage points this time, or up to five of its 21 seats in the 300-member Parliament.

Heavy losses for the Alliance would boost the Conservatives.

And, under the complicated proportional electoral system which is weighted in favour of the bigger parties, this could even propel the Conservatives to an outright majority.

Store groups eye East Germany

By Maggie Urry

WOOLWORTH Corporation, the US retail group with shops in West Germany, has opened an outlet in East Germany. The opening was announced at an international retail conference in London yesterday, held by Goldman Sachs, the securities house.

Mr Harold Sells, chairman and chief executive officer of Woolworth, said that before the war Woolworth had operated 14 stores in the area which became East Germany.

Mr Jens Odewald, chief executive officer of Kaufhof, the West German department store and speciality retail group, said his group was looking to open stores in East Germany under its Kaufhof name.

Kaufhof is a chain of budget stores, which Mr Odewald said was most appropriate for East Germany.

People from East Germany who had crossed the border to shop in West Germany were mainly interested in value-for-money goods.

Lufthansa, the West German national airline, said it would join four West German companies to invest about DM375m (\$134m) in a DM750m joint venture with Aeroflot, the Soviet national airline, to update and expand Moscow international airport, AP reports from Frankfurt.



King Michael: comeback

Michael of Romania to end 43-year exile

By Owen Bennett-Jones in Bucharest

KING Michael of Romania has announced that he will return home next week after an absence of 43 years, but his move, which he insists is non-political, has evoked a mixed response.

The king, who was forced to abdicate in 1947 following the communist takeover, appears to think that the political instability in the country may lead to the restoration of the monarchy.

He has rejected the validity of his abdication, saying: "A document signed under threat is null and void. I consider myself the head of state of Romania."

As the country's main political parties prepare for next month's elections, Mr Badu Cimpescu, the leader of the National Liberal Party and its presidential candidate, rejected the idea that the king should return as monarch.

On the other hand, the Government has welcomed King Michael's visit. Dominated by the ruling National Salvation Front, which gained power following the overthrow of the Ceausescu regime last December, the Government says the king is welcome to visit Romania on the same basis as any other returning citizen. But it says the people should decide if the monarchy is to be restored by voting on May 20 for that party which favours a return of the king.

The king remains critical of the Front, which he says is "compromised" because some of its members have links with the Ceausescu regime.

The king's popularity remains an open question. A poll carried out last January indicated that 78 per cent of Romanians opposed the return of the monarchy.

His supporters suggest that because of growing public scepticism about the Front, King Michael could provide a focus for national unity.

Even the Brits learn to love Europe

By Lucy Kellaway

NEVER have the citizens of the Community felt so pro-European. More than half of them want a full European union, with a European Government answerable to the European Parliament. They want more powers for all Community institutions, they want the monetary, economic and political union of Europe speeded up, and they want Brussels to have a say in a growing number of issues.

Even the go-it-alone people of the UK seem to be dropping their resistance to Europe. While retaining a large measure of caution as to the future of the Community, they at least are coming to terms with the past. For the first time a majority of British people are resigned to UK membership and view it as a good thing. Just one person in six still resists the day the UK joined.

These are the findings of the Commission's latest poll on the strength of Community feeling. Based on interviews of 1,000 people in each member state, they find for the first time a positive balance of views on the job done by the Commission. Europeans view the Parliament as more important than before, and are overwhelmingly in favour of the Social Charter.

In line with the rising level of enthusiasm goes a rising level of knowledge of the Community and its programmes. Ignorance remains greatest in the UK, where 57 per cent of those asked had not heard of 1992 or the single market, twice as many as in Greece.

The increasing commitment of the people has been matched by an increasing willingness of their governments to push Community programmes forward. Senior Commission officials admit to being astounded at the smoothness with which work on the Delors plans for Economic and Monetary Union is progressing, and at the increasing reluctance with which member states block single market measures.

Euro-MPs opt to stay in Strasbourg

By Lucy Kellaway

THE European Parliament has committed itself to a future of travelling between Brussels, Strasbourg and Luxembourg, by rejecting suggestions to move the parliament to Brussels.

The compromise agreement would keep regular sessions in Strasbourg and most of the committee work in Luxembourg, but would allow extra sessions to take place in Brussels, where a semi-circular chamber and 2,500 offices are being built.

The debate was long and hot, and the vote — seen as a triumph for France — was close. The president of the parliament, Mr Enrique Baron, came under strong personal attack, with calls for him to resign. There were also complaints of blacklisting tactics by the French Government, which on Wednesday threatened to block decisions on the location of new EC institutions unless the parliament remained in Strasbourg.

However yesterday's vote may well be challenged on a technicality.

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- Market-oriented capital investments
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- Solid finances
- Motivated human resources

Based on this combination of basic strengths — plus a proven ability to achieve superior performance — the BASF Group has many reasons to be optimistic about the future. By any standard of measure, BASF is a blue-chip company well worth watching. Into the next century.

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Financial Times (Scandinavia), Ostergade 44, DK-1100 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 932332.

AMERICAN NEWS

Treasury opposes plan to curb foreign banks

By Peter Riddell, US Editor, in Washington

CONGRESSIONAL proposals, which have wide support and could limit the expansion of foreign banks in the US, have been strongly opposed by the Federal Reserve and the US Treasury.

The measure would require regulators to focus on whether foreign governments practise fairness, and would let regulators bar a foreign bank's expansion if the Treasury had found that US groups were denied access to markets in that foreign country. It is sponsored by Senator Don Riegle, Senate Banking Committee's Democratic chairman, Senator Jake Garn, the committee's top Republican, and most of the committee members.

The proposals have been put forward because of concern that US banks have lost their international competitiveness.

Mr David Mulford, Treasury Under-Secretary for International Affairs, told the committee yesterday that, while US banks had "lost a major competitive position", the administration opposed the limited reciprocity in the proposal in view of the risk of retaliation. The

impact, he warned, "could be devastating to confidence in world financial markets and established patterns of monetary and capital flows."

Rejecting moves that might increase protectionism, Mr Mulford said the administration preferred to "encourage other countries to open and liberalise their markets, to our mutual advantage, rather than threaten to deny foreign firms access to our own."

Mr Alan Greenspan, chairman of the Federal Reserve, has warned that any such measure would be "clearly counterproductive." It would "invite retaliation and would not be very effective in any case."

He said that the globalisation of financial markets meant that most of the business which foreign banks do with US customers could be done offshore.

To the "limited extent" that the closure of US markets to foreigners might be effective, the result would be reduced pressure on US banks and policymakers to implement policies necessary to improve the underlying competitiveness of domestic financial institutions.

Mexico's biggest brewery beats strike

TBE brewery that makes Mexico's Corona beer, a leading export that soared in popularity during the 1980s, was back in operation after enough striking workers ended a seven-week strike for higher wages, Reuter reports from Mexico City.

Mexico's largest brewery, Cerveceria Modelo in Mexico City, said striking workers returned to their jobs, joining new employees hired to replace the strikers.

Meanwhile, the Nissan Mexicana plant remained idle after 3,500 workers began a strike on Monday, when contract negotiations over pay and benefits broke down.

Surinam ponders adjustment plan

Cash-starved Surinam plans to implement an economic adjustment programme that may include a devaluation and inflation-slashing measures, government officials said, Reuter reports from Paramaribo.

The European Community is sponsoring preparation of the adjustment programme being considered by the former Dutch colony.

Officials said the programme should seek to reduce the country's reliance on bauxite and encourage non-traditional exports such as shoes, alcohol and soap.

Cuba may look to world markets

Cuba will sell its sugar and nickel on the international market if the Soviet Union and other traditional East European trading partners stop buying them, a senior Cuban official said, Reuter reports from Havana.

"If there are difficulties, we will go out into the world market and sell sugar and nickel," Juan Escalona, president of Cuba's National Assembly, told a news conference.

Mr Escalona predicted Cuba's economic relations with its traditional trading partners in Eastern Europe would not continue at the same overall level as previously.

Vargas Llosa on the verge of Peru victory

An outright win may be elusive but voters are ready for change, writes Sally Bowen

THE probable future President of Peru, Mr Mario Vargas Llosa, closed his campaign in Lima on Wednesday night to fire-works, chanting and rapturous acclaim from an impressive crowd. In an emotional speech, the 54-year-old novelist turned politician promised peace and modernity for Peru.

Despite the enthusiasm of the Lima faithful, Mr Vargas Llosa's metamorphosis from writer to head of state is unlikely to be complete by the end of polling on Sunday.

Polls have given him a clear lead with more than 42 per cent of the vote. But outright election as president requires a majority of all votes cast - and with up to a quarter of all ballots expected to be blank, spoiled or invalid, through disenchantment, error or fear of terrorist reprisals - most pollsters predict he will have to face a run-off in eight weeks time.

Peruvian law bans publication of opinion surveys in the last fortnight before election. Insider polls and speculation, however, are the stuff of life in Lima. In the past week the hot money has been on Alberto Fujimori, a political debutante and former rector of Lima's Agrarian University. Some unofficial surveys put this little-known son of Japanese immigrants in second place in Lima because of his appeal as an honest independent.

The most likely runner-up to Mr Vargas Llosa remains Mr Luis Alva Castro of the governing American Popular Revolutionary Alliance (Apra), who was Finance Minister for the first two boom years of the present administration. Apra's historic support from 30 per cent of the electorate has slipped during the past couple of years. This is a direct result of unparalleled economic mismanagement by the government of President Alan Garcia. This has led to hyperinflation and an economic contraction last year of 14 per cent. All the same Apra still seems likely to hold upwards of 20 per cent of the vote.



Amid confetti, Vargas Llosa hails cheers that few writers know

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Mr Vargas Llosa hails cheers that few writers know

The former "united" left is split between two antagonistic factions. The remains of the original United Left, led by Mr Henry Pease, a mild-mannered academic, appears caught in a time-war with its anti-American and pro-Cuban slogans.

The avuncular Mr Alfonso Barrantes leads the breakaway Socialist Left in promoting "caring" issues, promising free milk for needy children and distributing bags of his campaign symbol - the bean.

Mr Vargas Llosa hails cheers that few writers know

posed of the novelist's new Freedom Movement and two older parties, Popular Action and the Popular Christian Party. It has led from the outset.

Its campaign, masterminded by American publicity agency - Sawyer Miller - began nine months ago. A commanding early lead has been eroded and Mr Vargas Llosa has twice in the past fortnight appealed vainly for curbs on Fredemo candidates' individual advertising campaigns for parliamentary seats under the preferential voting system. Certain wealthy Fredemo bankers and industrialists have been accused by President Garcia of "vomiting propaganda." But the so-called "millionaires' campaign" seems to have backfired, arousing distaste among poor Peruvians.

Peru's ailing economy has dominated the election campaign from start to finish. Mr Vargas Llosa has pledged to cut annual inflation from more than 27 per cent to ten per cent within a year. He plans to do this through extensive deregulation and liberalisation. It will be accompanied by a tough economic adjustment programme.

Fredemo's proposals to restructure the private sector, reform taxes to cover the fiscal deficit, realign exchange rates and encourage exports and foreign investment have proved attractive to voters. Indeed he has forced the campaign agenda.

Nevertheless, Mr Vargas

Llosa's call for a mandate to initiate an economic "shock" programme alarms poorer voters. The United Nations has estimated that almost five million Peruvians are living in extreme poverty.

The presidential run-off would take place in early June. A leading Lima political analyst said last week: "Statistically, there is no possibility of Vargas Llosa losing the second round. But in human terms, there is that chance."

The novelist temporarily resigned his candidacy last May - only three weeks after accepting it - because of differences with his alliance partners. He can be quick to anger when provoked, giving up unnecessary advantages to his opponents. Nothing has so united the fractured Apra party in the past few months as Mr Vargas Llosa's ill-judged verbal attack on cabinet ministers as "buffoons and scoundrels."

Another problem for Fredemo is the possibility of an alliance between the first round losers. While both Mr Pease and Mr Barrantes publicly discount it at present, Mr Alva Castro is reportedly attempting to negotiate such an agreement. This would involve complete equality between collaborating parties and accords with unions and professional groupings. Opposition to Fredemo's proposed economic shock just might form sufficient basis for some alliance, however unlikely, if Sunday's result is inconclusive.

Collor battles Congress

By John Barham in Brasilia

PRESIDENT Fernando Collor de Mello is locked in a battle of wits with Congress to win approval for the drastic anti-inflation measures he introduced in Brazil on March 15.

The president and his ministers say inflation will revive if Congress dilutes the policies. Congress members, who face elections in October, say they are determined to impose numerous changes, both to avoid an economic recession and reassert their prerogatives.

Intense negotiations between leaders of the majority Brazilian Democratic Movement Party (PMDB), other opposition parties and those supporting the president, aim to reach an early consensus on the policies and vote on them well before the deadline at the end of next week.

So far, Congress has

approved only a few minor measures, leaving more controversial items to last. However, the PMDB, as the dominant voice in Congress, has now made clear that it will approve the items with a few modifications.

Mr Collor's controversial proposal to begin a Thatcherite privatisation campaign, for instance, now seems certain of a majority of PMDB votes. Congress had thrown out several privatisation proposals during the previous Government of President Jose Sarney.

The PMDB is also welding a consensus over the central issue of the Government's freezing of \$115bn in private assets. The party would probably want to allow savers partial access to their blocked funds and loosen the tourniquet on the money supply.

Panama 'to embrace extensive privatisation'

By Lionel Barber in Washington

PANAMA will soon unveil far-reaching privatisation plans, in a bid to attract foreign investment vital to rebuilding the economy, Vice-President Guillermo Ford said yesterday.

He said in an interview that the new government in Panama intended to sell cement factories, sugar mills and the state airline. Foreign banks and businesses will be wooed to invest in capital-intensive projects such as a new container port.

"We are going 100 per cent

private enterprise," said Mr Ford, who was the opposition leader beaten bloody in front of the world's TV cameras last year during demonstrations against the then dictator in Panama, General Manuel Noriega.

Now Planning and Economy Minister, he arrived in Washington this week as the US Congress edged towards approval of a \$500m emergency aid package for Panama. The package - which also contains aid to the incoming government of Nicaragua -

has been approved by the House of Representatives but is stuck in the Senate.

Mr Ford declined to criticise the US, and said he hoped for final approval in the next two weeks. "We are not begging for money," he said.

But the delays are holding up Panama's repayment of arrears totalling \$540m to the World Bank and the IMF.

This repayment is the prerequisite for a debt rescheduling package with the Paris Club of sovereign creditors and commercial bank creditors.

Panama is providing \$130m to settle the arrears. The US aid package contains \$130m, and Europeans and Japanese are putting up \$130m, with the balance in the form of a \$150m bridge loan from the US Treasury.

A new banking law requiring Panama's banks to keep records of cash transactions of more than \$10,000 would help eliminate drug-related money laundering, Mr Ford said.

The vice-president added that a recent ruling by the Panamanian Supreme Court

showed that the authorities there have adequate powers to pursue coded bank accounts in Panama while maintaining necessary bank confidentiality. "We want to be competitive; we don't want to be dirty."

Three magistrates are trying to track down the illegal fortunes accumulated by senior members of the Panamanian Defence Forces under General Noriega, said Mr Ford. Unofficial estimates suggest \$200m to \$700m may have been siphoned off by the PDF, "but there is no way of checking this."

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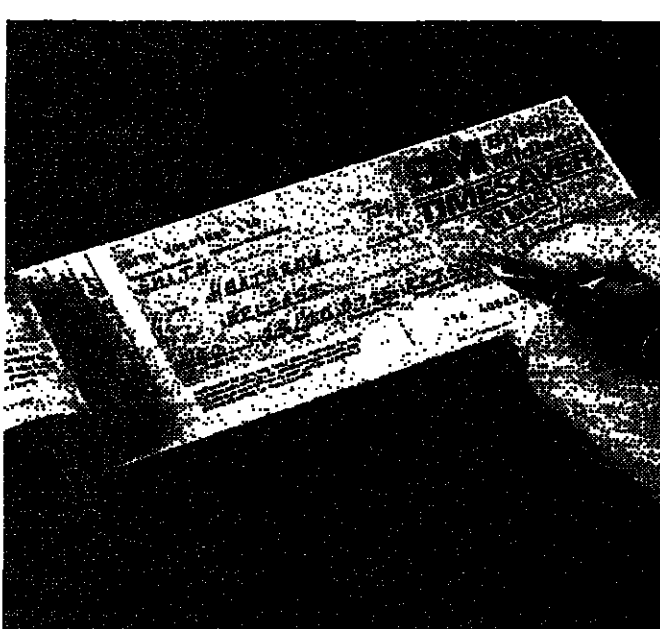
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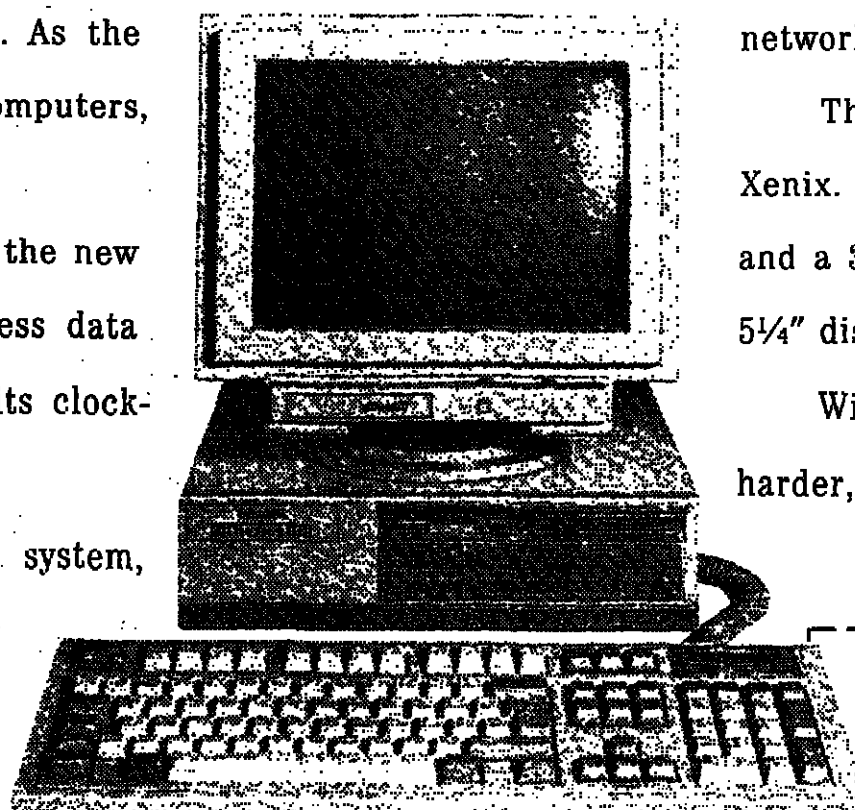
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AMERICAN NEWS

Licking liquor, combatting crack

Lionel Barber tests America's attitudes to drug dangers

DURING a recent swing through the Mid-West, Mr William Bennett paid a visit to Boys Town, the home for disturbed children outside Omaha made famous in the film starring Spencer Tracy and James Cagney.

A rumbustious conservative who serves as President George Bush's chief drug policy co-ordinator, Mr Bennett had come to Omaha, television cameras trailing, to attend a meeting of the National Commission on Drug-Free Schools, of which he is co-chairman.

Yet even the best-laid plans miscarry. Mr Bennett was stunned to hear fellow members report on regional surveys showing the number one drug concern among parents to be alcohol abuse. Since many people, including Mr Bennett, have argued consistently that the greatest threat to US youth is cocaine, or crack-cocaine, this was a painful surprise.

Mr Bennett responded by warning commission members that they were forgetting their "homework assignment" and risked losing credibility if they focussed on alcohol. Unimpressed by tales of drunken teenagers rampaging through schools with baseball bats and knives, Mr Bennett let it be known that he is the "drug czar, not the health czar."

Corn-rich communities in the Mid-West have always taken their hard liquor seriously, but the shift in public attention outside Washington towards alcohol abuse appears to run deeper. Some 15m Americans suffer from alcoholism or alcohol dependence.

More than five times the official estimates of regular cocaine or crack cocaine use, and more than 30 times the estimates of heroin addicts.

Two thirds of the 1.7m Americans seeking treatment under "substance abuse" programmes reported that alcohol was their most serious problem, according to a recent survey by the National Association of State Alcohol and Drug Abuse Directors.

As Ms Jan Smaby, chief drug policy co-ordinator in Minnesota, says: "Alcohol is our most serious problem. We are below the national average in the use and abuse of illegal drugs."

Mr Bennett, who once took the late rock star Janis Joplin out on a blind date, becomes restive when asked why his remit does not cover alcohol as well as illegal drugs. He recalls an understanding with Congress, which created the post of "Drug Czar" in 1988, that legal drugs such as alcohol were not part of his turf. "This is a distraction," he says.

What galls Mr Bennett is that the alcohol abuse issue is surfacing, amid evidence that fewer Americans are using illegal drugs than was the case five years ago. The core problem lies in chronic, addictive drug use - mainly of cocaine - among lower-income black people and Hispanics.

Mr Bennett, who served for three years as President Reagan's Education Secretary, believes the answer to this apparent "ghettoisation" is first to win back the streets, to guarantee that "the Bad Guys see the Good Guys winning."

He cites, with relish, the methods of Mr Darryl Gates, Los Angeles police chief.

Mr Gates identified 210 major drug-dealing spots in the city which qualified as virtual "no-go areas"; today, Mr Gates claims to have control over 70 spots, meaning that no drug-related crimes were reported over three months.

"It's like a military operation," says the Drug Czar, without caring to speculate where the drug dealers have fled.

One place is Omaha, Middle America incarnate, where the local police chief reports that 3,242 drug-related arrests took place in 1988 and 1989. Last year, 24 people, including several LA gang members, were indicted in a big investigation by the FBI and Nebraska state of West-coast sponsored drug trafficking in the city.

In the Bennett scheme of things, a community's second line of defence comes from the "Invisible Men and Women" who use morals rather than guns to fight the drug dealers - men such as Mr Joe Edmundson, a wheelchair-bound black man who has run a wrestling and youth club in Omaha for the past 20 years. He says he has saved many a teenager from the gangs, but he warned Mr Bennett: "We need more money to compete."

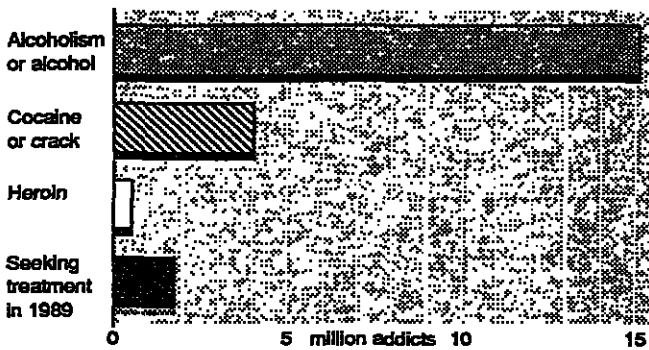
There are huge rewards to be gained from illegal drug trafficking, Mr Bennett agrees. But he argues that this is "unfair" competition, which the government has no business trying to outbid. However, as Drug Czar, he has succeeded in increasing more than five times the states for prevention and treatment of drug abuse. Inside the administration, he secured a \$10.6 bn budget total for this fiscal year, a \$1bn increase which he believes will be enough to stare down Democrats in Congress.

Even so, opponents argue that Mr Bennett has a short-changed treatment in favour of law-and-order, that he is blinkered in his approach to treatment (he will not countenance state provision of clean needles to heroin addicts, despite evidence that contaminated needles are helping to spread the AIDS virus), and that he is inclined to quote Kant, Hume and St Augustine rather than apply his mind to tough medical issues such as the nature of addiction.

Thus Mr Peter Bell, founder director of the Institute of Black Chemical Dependence in Minnesota and a member of the National Commission on Drug-Free Schools, argues that the administration is making a "strategic policy mistake" by not grouping alcohol with hard-drug addiction. "Most addicts are garbage mouths - they will take anything," says Mr Bell.

Mr Bennett acknowledges this may be true, recalling an encounter in Harlem Hospital, New York, where one of the patients was reported to have sprayed insect-killer on his crack cocaine in order to produce a greater "high". Yet the Drug Czar's decree is final: This is no time for opening a second front in the war on illegal drugs. Cocaine remains Public Enemy Number One.

US drug dependence



Colombian drug barons threaten to kill senator

COLOMBIA'S powerful drug barons, declaring themselves rebels with a political cause, have handed down a new and violent challenge, Reuter reports from Bogota.

The drug traffickers, who use the name "the Extraditables" because they are wanted by authorities in the US, claimed responsibility for the current kidnap of a prominent senator and said they would execute him if any harm came to two detained colleagues.

They also pledged to detonate a bomb in a wealthy suburb of Bogota because the authorities had failed to meet their demand to free two other detainees.

Police denied they were holding any of the four men. As the tide made the threat, President Virgilio Barco appeared to make a big concession to Mr Pablo Escobar, reputed head of the Medellin cocaine cartel and the most-

wanted drug trafficker. RCN radio in Colombia quoted Mr Barco as saying in Strasbourg, during his 10-day European tour, that Mr Escobar could be tried in Colombia if he turned himself in. This would be a shift from the government's previous policy of extraditing drug-traffickers to the US to face trial.

Mr Escobar and other drug barons have offered to surrender if the government guaranteed they would not be extradited. Robert Graham adds: Mr Barco is due to arrive in the UK tomorrow. On Monday he will have a key role in the opening of a three-day international conference on how to cope with the threat posed by cocaine, organised by the British Government and backed by the UN. The latest moves by the drug traffickers appear designed to embarrass him and gain maximum publicity.

OVERSEAS NEWS

Executions overshadow Indonesian aid meeting

By John Murray Brown in Jakarta

THE ANNUAL meeting of Indonesian and Dutch aid officials in Jakarta today looks set to be overshadowed by the execution in February of four elderly Indonesian communists, sentenced more than 20 years ago for their part in an alleged coup d'état.

The Netherlands government, under some domestic pressure, earlier threatened to cut its \$100m annual assistance programme, the first action taken against its former colony for human rights abuses. This week the Dutch again condemned the executions. The EC has also issued a formal protest.

Indonesia is looking to finance its 1990-91 budget by \$6.3bn in foreign aid receipts - providing vital balance of payments support and making up 70 per cent of capital investment. The Dutch have threatened to withdraw \$27m in special budgetary assistance.

Indonesia has shown little sign of softening its position ahead of today's visit to Jakarta by Mr Jan Pronk, the Dutch Co-operation Minister and the chairman of IGGL, Indonesia's main aid consortium.

Business turns bullish about West Bengal

David Housego examines the start of an industrial revival in a Marxist Indian state

IN CALCUTTA, India's eastern seaport which has long been a symbol of industrial decay and decline, businessmen are talking of the beginnings of an industrial revival.

The most tangible sign of what Mr Jyoti Basu, the Marxist chief minister of West Bengal calls the "change in climate," has been the announcement that two of the country's largest private sector groups - the Tatas and Reliance Industries - are to invest Rs30bn (£1.1bn) and Rs2.5bn respectively in a new petrochemical complex and a synthetic fibres plant.

This marks the first major industrial investment that has taken place in the state - once the industrial heartland of India - in over 20 years.

In anticipation of the spin-offs from these projects and other planned ventures, the region's battered engineering industry last week organised a seminar on the "Industrial Resurgence in West Bengal." Almost parallel with this Mr Basu's Marxist government brought in last week its most pro-business budget in 13 years of rule.

Mr Sanjeev Goenka, vice president of RPG Enterprises - the Calcutta-based Goenka group - and one of the optimists among the city's entrepreneurs, said: "Sentiment has turned bullish for Bengal. It is

now up to the government of the state to capitalise on the new-found confidence of the corporate sector."

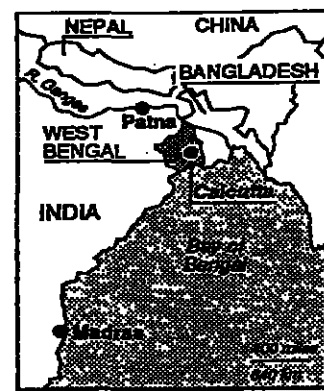
Most observers agree that West Bengal's long recession - marked by the bankruptcy of many of the large local groups and the withdrawal of the bulk of British investment - bottomed out about three years ago. But the more recent turnaround in the industrial climate is due to two factors.

The first was the defeat of Mr Rajiv Gandhi's Congress party in the November general election. The party had increasingly discouraged companies and state-owned financial institutions from investing in West Bengal as part of its effort to isolate Mr Basu's Marxist government and topple it.

By contrast Mr Basu is now a powerful voice in Delhi, where Prime Minister V. P. Singh's administration depends on the support of the Marxists for its parliamentary survival.

The second factor is Mr Basu's own conversion to the virtues of market economics. He is reported to have told a recent visitor: "We criticised capitalism but the capitalism we criticised no longer exists. Capitalism has changed and we have to change."

What has struck businessmen has been his intensive lobbying among both Indian com-



panies and foreign firms, including Siemens, Philips and Pepsi-Cola, to attract fresh investment to West Bengal. In the case of Mr Reg Brealey, the British financier with ambitious plans to rejuvenate bankrupt jute mills, he even got the government to waive the normal ceiling on foreigners' equity holdings.

As yet West Bengal's industrial revival is more a gleam in the eye than a reality. Mr Basu himself admits that power cuts in Calcutta - the major deterrent to fresh investment - have worsened over the past six months. Many of the other familiar problems of the city remain, including decaying buildings, uncleared piles of trash, low labour productivity, a state bureaucracy submerged in paper and telephones that

work only intermittently.

It is largely because of these factors that many of the best-known local groups - Apex, S. K. Birla, ITC and Macmillan and Magor (M&M) - are hesitant about making new investments. An exception is RPG Enterprises which is investing Rs10bn in a new 500MW power station for the Calcutta Electricity Supply Corporation that it controls and Rs6bn in various other projects.

For all his belief in market economics, Mr Basu's industrial strategy still depends on a single mammoth industrial project. The last such venture in Bengal was the loss-making, state-owned Durgapur steel plant.

The main guarantee that the proposed Haldia petrochemical complex does not end up as a white elephant is that the Tata group - India's largest private conglomerate - will have independent management control and 49 per cent of the equity. The West Bengal government will hold 25 per cent with the rest being held by the public, thus making the enterprise accountable to outside shareholders.

The logic for the plant is the surging demand in India for petrochemicals and plastic products. Reliance will be building its synthetic fibres plant downstream and RPG will be making further investments as well. With Haldia,

south of Calcutta, virtually a Green field site, the hope is to establish a major new industrial belt. Mr Basu claims that 150,000 jobs could be created.

Apart from petrochemicals Mr Basu wants to develop electronics and food processing. Recent visits to Hong Kong and Singapore have evidently demonstrated to him the potential of export-led, labour-intensive industrial growth. Neighbouring Bangladesh is earning \$700m a year from manufacturing garments while West Bengal has virtually no garments industry at all. "We are very backward in the garments sector though we have a lot of tailors," said Mr Basu.

Businessmen in Calcutta are impressed by Mr Basu's readiness to tackle the state's problems. His new emphasis on industry also comes after an impressive performance in reforming agriculture. Food output has been growing in recent years at 5 per cent a year, one of the highest rates in India.

Better living conditions in the villages have reduced the migration to Calcutta that ten years ago seemed likely to throttle the city. Conditions have also improved in Calcutta itself, which is this year celebrating its 300th anniversary. There are fewer pavement dwellers, the streets are a little cleaner and there is certainly less crime than a decade ago.

Last year we invested £3 billion in Britain. So where's it all gone?

To be quite honest, a lot of it has just disappeared.

Of all the money British Telecom invested last year, some £1 billion of it went, quite literally, into a hole in the ground.

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By the end of the year, in fact, all UK trunk calls will be carried digitally. Local lines are being replaced too.

But although the investment remains unseen, it will be heard.

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Last year over £2 billion was spent on network modernisation alone.

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Digital communications will allow faster transmission of data and pictures too.

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Building one from scratch would be hard enough.

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And a great deal of money, of course.

British
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OVERSEAS NEWS

Malaysia to shut down lotteries board

IN COMPLIANCE with "Islamic values," the Malaysian Government has ordered the permanent closure, within the next six months, of one of the country's oldest institutions, the Social and Welfare Services Lotteries Board.

Writes Lim Siong Hoon in Kuala Lumpur. Lotteries were introduced in 1950, seven years before Malaysia's independence from Britain. Draws are now held every few months on tickets sold for M\$2 (70 cents) each. The first prize fetches M\$2m, and each draw provides M\$8.5m (\$2.4m) in total prize monies.

Profits to the board, \$43.7m between 1985 and June 1988, are used in welfare aid programmes.

The order to close was formally announced by the Ministry of Finance in a statement a week into the Ramadhan fasting month in a step, it said, to curb gambling and to make "concurrent the assimilation of Islamic values in the country."

Unaffected by the order are other government-sanctioned gambling activities in the few privately operated lotteries, the turf club, and the Genting mountain-top casino from where Moslems are prohibited.

Likud refuses to concede defeat

By Hugh Carnegie in Jerusalem

MR. YITZHAK SHAMIR, leader of Israel's hardline Likud Party, yesterday refused to concede defeat and continued the battle to prevent Mr. Shimon Peres from winning a parliamentary majority that would enable the Labour Party leader to supplant him as Prime Minister.

Mr. Peres, eager to revive US proposals for Israeli-Palestinian peace talks stalled when a Likud-Labour coalition collapsed last month, said on Wednesday he had secured sufficient support in the 120-seat Knesset to form a Labour-led Government. Parliament was expected to convene on Sunday or Wednesday to decide the issue.

Likud has flatly refused to concede defeat. Yesterday it managed to prise out of hiding Mr. Avraham Shari, a disaffected former Likud minister widely believed to be the person Mr. Peres was depending on to break a 60-60 deadlock in the Knesset either by joining a Labour government or by abstaining in a vote to establish it.

Mr. Shari, a maverick figure left out of government by Mr. Shamir in 1988, met Mr. Moshe Katsav, the Transport Minister and a Shamir confidante, but declined to declare his intentions.

He belongs to a five-member dissident Likud faction led by Mr. Yitzhak Modai which Mr. Shamir has struggled desperately to keep within Likud ranks.

Mr. Modai, previously a bitter foe of Mr. Peres, seemed to be leaning Likud's way. But his price for loyalty, including a hefty bank guarantee to underpin any promises made by Mr. Shamir, was high.

Mr. Peres has refused to say either whether Mr. Shari, or another of the Modai faction or some other hitherto unheralded Knesset member or group has pledged to give him the extra support he needs.

Muddying the already murky waters yesterday was growing restiveness among some Likud backbenchers and left-wing parties allied to Labour who said they were so disgusted by the level of haggling going on that they might not support deals struck by Mr. Shamir and Mr. Peres respectively.

Meanwhile, Israeli security forces shot dead a 16-year old Palestinian boy and wounded 19 others in a surge of clashes in the occupied West Bank and Gaza Strip. More than 630 Palestinians have been killed by Israeli forces and Palestinians have killed nearly 200 fellow Arabs and 44 Jews.

Tiananmen sealed off by police

A HEAVY police presence deterred Peking citizens during yesterday's festival of the dead from mourning those killed in last year's military crackdown, but defiant students said they had held ceremonies in secret, Reuter reports from Peking.

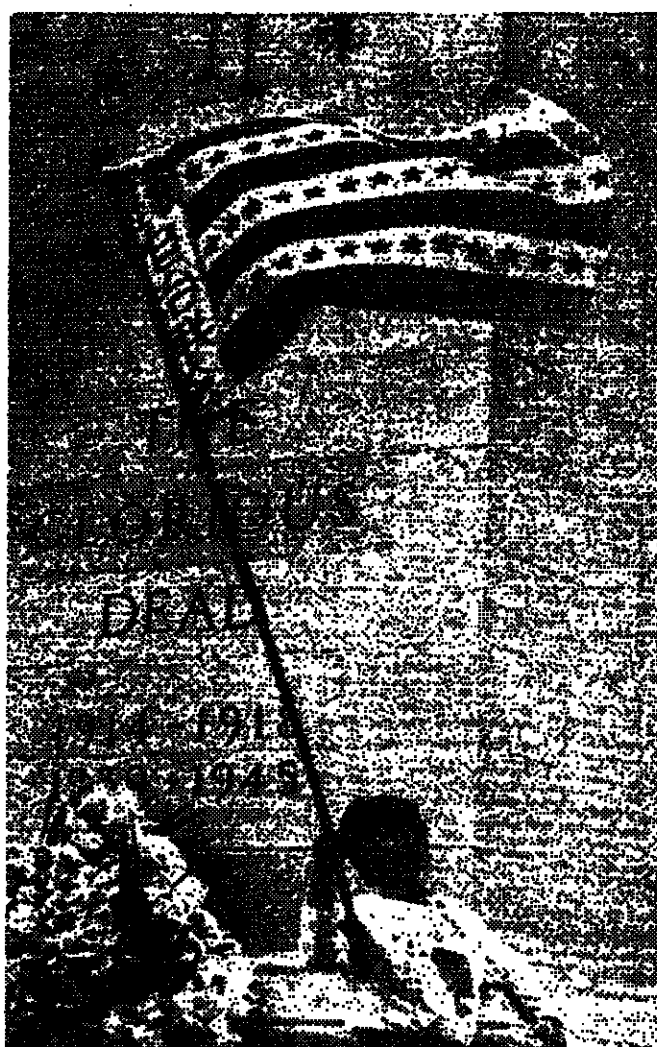
In spite of blanket security, many citizens and students were jubilant at news that leading dissident Chai Ling had evaded a nationwide search and fled China after nearly 10 months on the run. Western diplomats said the situation in Peking was akin to martial law. Armed police sealed off the capital's central Tiananmen Square, patrolled in motorcycle convoys and stood at junctions.

Qingming, the day when Chinese traditionally mourn their dead, has proved a tinderbox of protest in the past.

Government circulars forbidding any open expression of grief have been read out to work units in Peking over the last few days.

Leaflets have circulated through campuses calling on people to wear black armbands or white flowers to mourn the dead.

Students at Beijing University said they had held mourning ceremonies in their dormitories.



Thousands took to the streets of Hong Kong to mourn the victims of the crackdown on Tiananmen square protests

China nears launch of first western telecom satellite

By John Elliott in Hong Kong

THE COUNTDOWN has begun at Xichang in the south-western Chinese province of Sichuan for the planned launch at 7.49pm tomorrow of a Long March III rocket carrying a private sector communications satellite called AsiaSat 1. It is owned by a consortium of Chinese, Hong Kong and British companies.

This is the first western communications satellite, and the heaviest payload, to be carried on a Chinese rocket. After the recent failures of Ariane and Intelsat satellites, a lot of prestige is hanging on the \$120m (£73m) project because a successful launch by the China Great Wall Industry Corporation would boost the country's growing reputation in the space industry.

AsiaSat 1 is also the first private sector satellite designed for Asia.

It is expected to handle telecommunications traffic for Asian countries such as Burma, Nepal, Mongolia and possibly Japan and carry television programmes for an area with 2.5bn people ranging from the Gulf States to Japan.

The satellite is owned by Asia Satellite Telecommunications, which was formed two years ago. It is owned in three equal shares by Cable and Wireless of the UK, the parent company of Hong Kong Telecommunications, the Peking-based China International Trust and Investment Corporation, and Hutchison Whampoa, a Hong Kong company controlled by Mr. Li Ka-shing.

which is trying to build up a regionally based international communications group.

Designed and built by Hughes Aircraft of the US, AsiaSat 1 was originally the Westar VI which failed to enter geostationary orbit after its launch by the US space shuttle Challenger in 1984. It has been rebuilt and modified by Hughes at a total cost of about \$45m.

Mr. Terry Seddon, AsiaSat's chief executive officer, said that Westar VI was selected because it was available one year earlier than a new satellite. China was chosen for the launch because there were queues of up to two or three years elsewhere, and because its price of \$30m was at least 30 per cent cheaper than other offers.

Burma has signed a full lease agreement for 1% of the satellite's 24 transponders for television and telecommunications transmissions, and Capital Communications of Hong Kong has reserved two for music-video programmes financed by advertising.

The company expects to break even within three or four years and plans to launch a second satellite, probably also supplied by Hughes, in 1994 if tomorrow's exercise is successful. Insurance has been partially provided by the People's Insurance Company of China, with reinsurance in world markets organised through Faber and Dumas.

Jordan wins IMF approval of reform

JORDAN has won IMF approval for its progress on a year-old economic reform plan, clearing the way for payment of the next tranche of a \$77m standby credit, an official statement said yesterday, Reuter reports from Amman.

The Finance Ministry and central bank, after five days of talks with the International Monetary Fund, said: "The two sides agreed on all the subjects discussed."

Completion of the IMF's first review of the reform programme was expected to lead to disbursement of the remaining \$44m of an IMF standby credit granted in July, half of which would be drawn down in the first half.

The accord with the IMF would make it easier to obtain and draw down loans worth \$325m from the World Bank, Japan's Overseas Economic Co-operation Fund and West Germany.

It would help Jordan reschedule about \$940m in payments due on loans from government creditors in 1991 and to reschedule as much as possible of roughly \$450m in interest due on other foreign loans in the same year, it said.

The review should have been completed in November, but languished while a new government steered an austerity budget for 1990 through the freshly elected parliament.

Jordan, which has an \$8bn foreign debt, sought IMF help a year ago.

The immediate result was IMF-agreed price rises which caused riots in which 12 people were killed.

The statement said Jordan and the IMF agreed fully on monetary and economic policies to be followed this year. These included a target for real growth of 2.5 per cent, limits on the budget deficit, maintaining a stable exchange rate for the dinar and restricting money supply growth to bring inflation down to a maximum of 10 per cent.

NEWS IN BRIEF

Thailand plans to ease exchange controls

THE THAI central bank plans to relax strict controls on export of foreign exchange to encourage foreign investment in Thailand, the bank said yesterday, AP reports from Bangkok.

The relaxation is expected within the next three months following consultations between the central bank - the Bank of Thailand - and the Finance Ministry.

Currently, businessmen in Thailand must apply to the central bank to take money out of the country.

The bank said the move to ease restrictions was in line with Thailand's attempt to become a major financial centre in Asia.

The Bangkok Post newspaper yesterday quoted the central bank governor, Chavalit Thanachanan, as saying the controls have not stemmed the flight of capital from Thailand.

IMF backs Jordan reforms

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Moves to release French hostage

Mr. Abu Nidal's Palestinian extremist Fatah Revolutionary Council (FRC) said yesterday it was making contacts "with concerned parties" to bring about the release of a French woman and her family held hostage for the past 29 months, writes Lara Marlowe in Beirut.

The statement came just over two weeks after France was reported to have delivered three Mirage fighter planes to Libya. The woman, Jacqueline Valente, 32, is widely believed to be held in Libya rather than Lebanon. The statement signed by Walid Khaleel, the FRC's Beirut spokesman, was made one day after Col. Muammar Gaddafi, the Libyan leader, called for Moslems to release foreign hostages before the end of the Moslem feast of Ramadan on April 26.

Ms Valente, her two daughters and five Belgians were seized from the yacht off the coast of Gaza on November 8, 1987.

Beirut ceasefire respect ordered

Mr. Samir Geagea, the Christian militia leader, and Gen. Michel Aoun have ordered their fighters in Beirut to respect a ceasefire called by the Lebanese Maronite Catholic Church on Wednesday night, writes Lara Marlowe in Beirut.

A council of 30 clergymen said that the power struggle between the two men threatened the Christians' "very existence" in Lebanon and called on both leaders to leave Lebanon if they could not stop the battles.

WORLD TRADE NEWS

EC adds its weight to moves to formalise Gatt

Top trade official denies that interest in multilateral issues is declining, writes Peter Montagnon

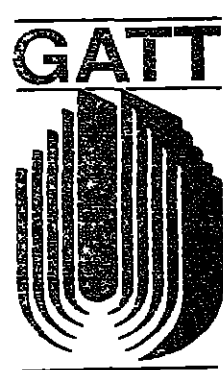
THE WORLD'S trading nations should eventually consider converting the General Agreement on Tariffs and Trade (GATT) into a fully-fledged international organisation like the International Monetary Fund and World Bank, Mr Frans Andriessen, the European Community's top trade official, said in an interview.

His remarks add weight to a growing body of opinion which believes that a successful Uruguay Round will force institutional change on the GATT. The Round will impose broad extra responsibilities, for example, in supervision of trade in services, on to a body whose legal basis is still only that of a provisional trade agreement.

Negotiating a formal legal status for the GATT would be difficult, however, because of likely opposition from developing countries. It would have to wait until after the Uruguay Round was over, Mr Andriessen said.

Elsewhere, he warned that to be successful the Round would have to bring relief from the unilateral approach of Section 301 of the US Trade Act.

He also predicted a photo-finish, saying that Europe would not be ready to consider which of its priorities to trade off for a successful overall conclusion until much closer to the end of the Round in December.



A central part of his message was to rebut criticism from in and outside the Community that Europe had become so preoccupied with its own integration and with East bloc reform that it had lost interest in the multilateral trading system.

In London last month, Mr Renato Ruggiero, Italy's Trade Minister, said Europe's lack of leadership had put it on the defensive in the Round.

Mr Andriessen said such criticism was "without any ground." Europe had taken many initiatives in the Round, most recently this week with a radical proposal to formally incorporate intellectual property protection into the Articles of the GATT.

He said that Europe's record showed that it had been an active player in the Round, and that it was up to member states to decide how much interest they wanted to show.

"Some people have the view that the Council (of Ministers) should be more involved in the Uruguay Round. It's up to the Council to discuss it."

Mr Andriessen said the one point where he did not disagree with Mr Ruggiero was in the general need for institutional reform of the GATT, though there were differences on both timing and nuance over how far reform should go.

"It's better to get a general engagement to go in that direction and then develop it after we have finished the Uruguay Round," he said. "We would need all our effort on the substance now."

The issue of legal reform of the GATT would not require the immediate launch of a new Round next year but might become the focus of ministerial meetings of the Geneva-based body which are expected to take place more frequently once the Round is complete, he said.

One area where Europe might appear to be on the defensive was farm reform. Mr Andriessen added, Europe was prepared to negotiate reform. But the task was being made more difficult by the US

because it was both making unrealistic demands for reform in GATT and threatening a tough new farm bill with increased export enhancement credits and additional "set-aside" incentives to farmers to take land out of production.

Mr Andriessen said that as Commissioner responsible for trade it was up to him to take the overall lead in negotiating for the EC in the Uruguay Round.

So far the EC had managed to co-ordinate its position on agriculture well, he said, but he acknowledged the need to strike a balance between his role and that of Mr Ray MacSharry, the Irish Commissioner responsible for farming.

He said that the EC had always adopted a global approach to the negotiations. This meant that items on the agenda could not be negotiated without reference to progress in all the others.

"We will stick to that, which means there will be an accent on the final negotiations," he said in a remark which appeared to dash GATT hopes of substantial progress in the talks by mid-year.

One objective of the forth-



Andriessen: warning

tion of world trade in textiles was a European priority. Others included trade in services, intellectual property and improved GATT rules, particularly with regard to dispute settlement.

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One objective of the forth-

coming trade ministers' meeting in Mexico would be to rally the apparently flagging support of developing countries for the Round. This remained a concern of the Community, despite its new tough line on intellectual property.

Acknowledging the claim of many developing countries that World Intellectual Property Organisation (WIPO) rather than GATT should set rules in this area, Mr Andriessen said: "We are still prepared to do a lot of work in WIPO."

However, he added that there had to be a greater differentiation between developing countries, with the more advanced ones taking on additional responsibilities towards the multilateral trading system.

Warning that the present round of trade talks between the US and Japan could lead to Washington winning exclusive concessions, he said that a successful Round would have to put an end to US unilateralism.

Without a clear declaration now that unilateralism was unacceptable, it would be "extremely difficult" for GATT to negotiate improvements to its dispute settlement system.

"You can't give one contracting party its own way of dealing with disputes, if everyone else is obliged to use the common way of dispute settlement," he said.

Industrialists back bid to win through on Uruguay Round

By Lucy Kellaway in Brussels

A STAR-STUDDED cast of industrialists yesterday put their weight behind efforts to achieve a successful outcome to the Uruguay Round of GATT talks.

After a meeting with Mr Frans Andriessen, EC External Trade Commissioner, Viscount Etienne Davignon, representing the European Round Table of Industrialists, said that the most important thing would be to increase the number of signatories to the agreement. Mr Carlos Ferrer, vice-president of Unice, the employers' federation, called for:

- predictability and transparency of the rules, which should be extended to the developing countries;
- improvement of the process for settling disputes;
- extension of rules to cover services, investment and intellectual property;
- removal of non-tariff barriers, to provide better access;
- closer co-ordination of commercial, economic and monetary policies, involving tighter

links between the IMF, GATT and the World Bank.

Mr Andriessen welcomed the support of industry. In reply to a question, he said he was "very unhappy" about the hostile GATT panel ruling on the EC's "screwdriver" law - a ruling he said concerned the letter and not the spirit of anti-circumvention rules.

But no final decision had yet been taken on the EC response, he stated. Widespread circumvention existed, and there was a need to solve the problem.

Meanwhile, the European Bureau of Consumers' Unions said "a yawning gap existed between myth and reality" on the EC's implementation of trade rules, especially on anti-dumping measures.

It accused the Commission of foot-dragging on agricultural negotiations within the GATT, and called for a more liberal approach to negotiations on cars, textiles, anti-dumping, and on opening the market to Eastern Europe.

Farm trade reform still long way off

By William Dullforce in Geneva

CRUCIAL negotiations on the reform of world agricultural trade have made practically no progress since the beginning of the year.

This became apparent yesterday, when the group negotiating on agriculture in the Uruguay Round received an 80-page document from the GATT secretariat elaborating on the widely varying proposals for reform tabled by the four big farm trading blocs last year.

The US, the European Community, Japan and the Cairns Group of 14 farm-exporting countries, replying to questions from the secretariat, have framed the positions they had already taken on three basic issues.

These are: eliminating subsidies on farm exports, reducing protection at the border against imports of agricultural goods, and curbing the internal supports paid to farmers by governments.

In particular, the report serves to highlight the enormous gap still separating the US and the EC. Delegates said the three-month clarification exercise conducted by the secretariat had sharpened the edges on the key issues and should lead to more effective negotiating in future.

But trade officials acknowledged that no convergence of views had so far occurred. Only in talks on co-ordinating health and safety measures was agreement within sight.

Agricultural reform is a core issue for GATT's trade-liberalising Uruguay Round, scheduled to be completed in December. The US and other farm-exporting countries have stressed that without agreement on agriculture, they will not accept other liberalisation measures.

Negotiators are working to a July 31 deadline to come up with a general framework for farm trade reform, with details to be filled in over the ensuing three or four months.

The secretariat's compendium brings out the differences between the US and the Community in all the three areas covered.

Basic to the differences is the EC's demand that an aggregate measure of support - SMU or support measurement unit in Brussels' terminology - covering both domestic supports to farmers and border measures must be used to establish a benchmark from which progressive reductions will be made.

Within the SMU, governments would have considerable flexibility in deciding how to meet reduction targets.

Washington proposes separate methods for the three areas. It wants non-tariff barriers converted into tariffs to afford a simple, clear-cut basis for reducing import protection in successive steps year by year. This is the "tarification" concept also backed by the Cairns group.

Yet, when pressed by the secretariat to provide practical examples of tariffication for dairy products, sugar and beef, the US said it had not yet completed work on the methodological issues involved.

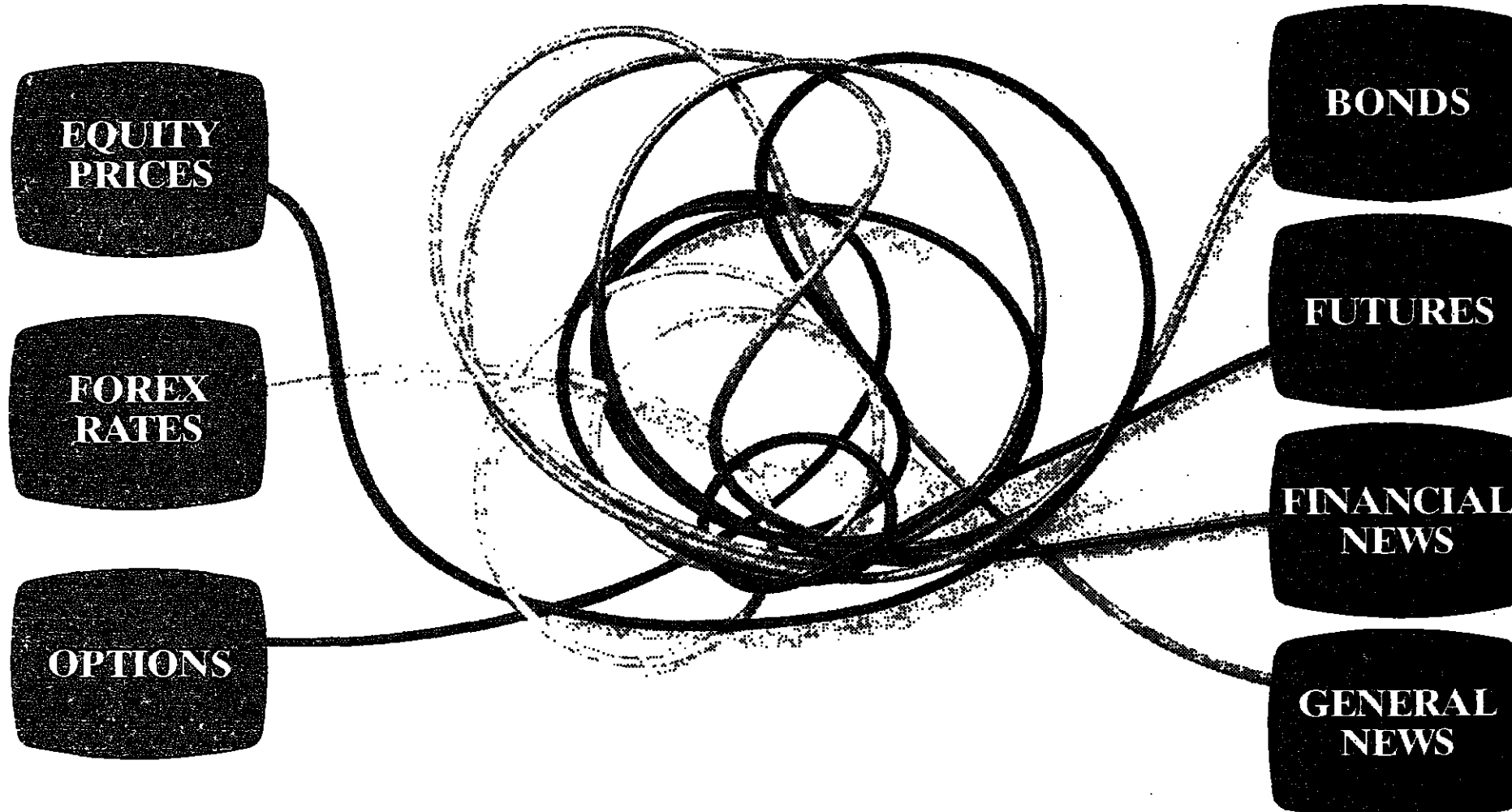
Brussels says that import protection should be handled under its SMU concept but that it is prepared to consider some element of tariffication, if specific conditions are met.

These are that US deficiency payments to farmers are converted into tariffs; that the EC be allowed to "rebalance" cuts in internal supports to farmers with higher tariff charges; and that there should be a variable element in the tariffs, to take account of variations in exchange rates and fluctuations in world market prices.

These conditions are anathema to the US. It regards deficiency payments as purely internal supports; its soybean farmers see rebalancing as a means for the EC to introduce tariffs on feedstock imports where none exists at present.

The secretariat's report signals no changes in positions on export subsidies. The US wants them completely phased out in five years while the EC considers export refunds to be an integral part of its double-pricing system which should be handled within the SMU concept.

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French deal gives STC way into signals market

STC of the UK has won a "landmark" military order from France for equipment to receive navigation signals from US Navstar satellites - a business set to generate £11m worldwide in the next five years, David White writes.

Its £2m contract with the state-owned Aérospatiale, part of a programme to update the French air force fleet of Transall transport aircraft, is more significant than its size suggests.

It was won against two French companies, Aérospatiale's own joint venture with Thomson-CSF - Sextant Avionique - and TRT, an electronics company recently bought by Thomson-CSF from Philips, and is the largest European deal for Global Positioning System (GPS) equipment linked to the Navstar satellite network.

The network, to be fully in place in 1993, will pinpoint positions and altitudes, and will have wide civilian spin-offs.

Ericsson signs SKr6bn Mexican pact

Ericsson, the Swedish telecommunications group, has signed a SKr6bn (£582m) framework agreement to supply AXE digital switching systems and equipment to Mexico over the next five years, John Burton reports from Stockholm.

The deal, the largest AXE order in Latin America and one of the biggest Ericsson has received for the system abroad, was signed with the Mexican Telephone Administration (Telcel) in February, but only disclosed yesterday.

The first part of the pact will consist of supplying AXE systems and power equipment, valued at SKr1.1bn, in 1991.

Daewoo in Burmese ventures

Daewoo of South Korea has formed joint ventures with two Burmese enterprises to make electronic goods and textiles in Burma mainly for export, Chit Tun reports from Rangoon. It also has a permit to build a wholly-owned five-star hotel in Rangoon for \$65m (£35m).

Daewoo is the first South Korean company to set up in Burma since the 1988 military take-over. The first venture, Daewoo Electronic Myanmar, will make 70,000 TV sets, 63,000 tape recorders and 4,900 refrigerators a year. The second joint venture, Myanmar-Daewoo International, aims to make 864,000 garments in the first year.

back
rough
round

You can tell
an Economist
reader by
the company
he owns.

UK NEWS

Watershed for Vauxhall UK

GM strategy of European growth follows profits

By Kevin Done, Motor Industry Correspondent

GENERAL Motors' decision to invest £160m in a new engine plant in the UK rather than at a rival site in West Germany is a watershed for its UK Vauxhall operations, which have staged a dramatic financial recovery in recent years.

At the same time it represents a further significant expansion of GM's European operations which are currently one of the main sources of General Motors worldwide profits as the US car giant struggles to return its core North American automotive operations to profit.

GM's UK operations have faced stiff competition for the project from West Germany, where GM had considered building the plant at Kaiserslautern, where it already has extensive operations. GM's decision is a major vote of confidence in its Vauxhall operations, which have staged a dramatic financial recovery in the last three years.

Vauxhall achieved record car sales in the UK last year and has emerged as the fastest

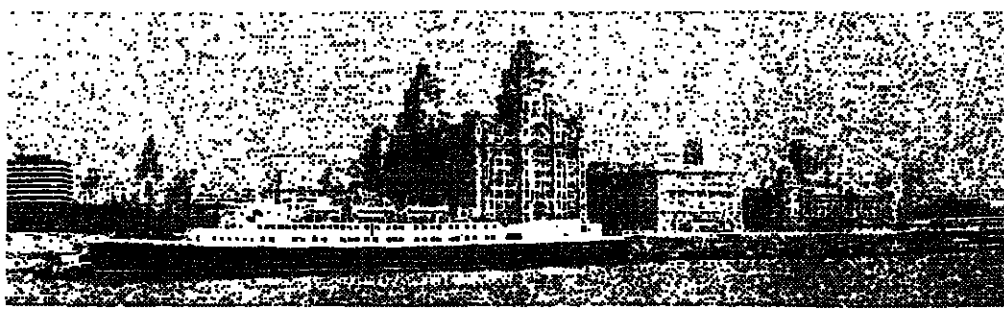
growing leading car maker in the UK new car market.

GM's decision to site the new engine plant at Ellesmere Port will also open the way for the introduction of a far-reaching package of labour reforms at the plant, which had been agreed by the workforce in return for the investment.

A substantial factor behind GM's decision was also its wish to balance more closely the distribution of its components sourcing with the distribution of its sales in Europe in order to avoid damaging exchange rate fluctuations.

Its sourcing was previously heavily based in West Germany, but in recent years it has been seeking lower cost sources, such as the UK.

Following its substantial withdrawal from UK manufacturing in the strike-ridden years of the 1970s, the decision is also a sign of its wish to establish a closer relationship with the UK, which has been heavily dominated in recent years by Ford, GM's arch rival.



Reflections across the Mersey

Ian Hamilton Fazey on the GM plant decision

MR GEORGE ALCOCK, chairman of the Merseyside Chamber of Commerce, was scheduled to go to a celebratory dinner in Chester last night hosted by Vauxhall's management.

"I'll be telling anyone who wants to listen that this engine plant is no flash in the pan," Mr Alcock, who is also chairman of the Grosvenor group of edible oil and animal feed companies, said yesterday. "I was at the Stanlow refinery last week and Shell reckoned their investment now at over £2bn. It's the second biggest in Europe after Rotterdam."

Both Vauxhall and Shell are technically in Cheshire but are part of the Merseyside economy, which runs up both sides of the river past Widnes and Runcorn and stretches from the Welsh border to St Helens. The image Mr Alcock strives to counter is based on Mersey-

side's reputation for left-wing, sectarian politics and difficult labour relations.

There sometimes seems a perverse pride at being the best at being the worst. Liverpool city council is usually in turmoil, revolt or both. Mr Frank Field, a Labour moderate MP, is fighting for political life in Birkenhead. Dockers and ambulancemen displayed the UK's greatest militancy in disputes last year.

Merseyside has Britain's heaviest concentration of large scale male unemployment. The figures are 19.5 per cent in Liverpool, 14.5 per cent in Wirral and Chester, 13.8 per cent in St Helens and Wigan, and 12.1 per cent in Widnes and Runcorn, a total of 81,747 in February, more than 48,000 of them in Liverpool alone.

"Is it safer?" is the question every potential investor asks. Vauxhall's new engine plant is seen as an answer. Mr Keith

Robinson, director of the chamber, says: "And that is on top of £800m which Ford is putting into Halewood. At Kirkby, Delco Electronics makes parts for every General Motors car in the world produced outside the Americas," he adds.

Royal Insurance has expanded its life business in Liverpool and now employs 4,000. "We have been here 150 years. This is our home and we will remain here," Mr Roger Pridmore, public affairs manager, said yesterday.

Yet Merseyside is a paradox. Ford invests, yet last week announced that investment in new technology will also destroy nearly 3,000 jobs over five years. At St Helens, Pilkington is a world leader in flat glass, but cut its workforce from 18,000 to 7,000 in getting there. Mersey Docks is successful again, but with 700 dockers not 20,000.

Bank Governor says policy mistakes added to inflation

By Andrew Marshall, Economics Staff, in London

POLICY MISTAKES have contributed to the rise in British inflation over the past three years, according to Mr Robin Leigh-Pemberton, Governor of the Bank of England, and as a consequence there is no alternative to tight monetary policy.

Entry to the Exchange Rate Mechanism of the European Monetary System was "no soft option," he said last night.

In one of the fullest defences of current monetary policy he has delivered, the Governor said: "It is clear from the rise in inflation over the past two or three years that something has gone quite badly wrong... policy mistakes and forecasting errors played a part."

This was partly due to the inadequacies of statistical data but "interest rates were reduced over a period when we now see they clearly should not have been."

The Governor pointed, however, to the success of current tight monetary policies in Britain. But he also warned that inflation would respond last to tight monetary policy, mainly because of continued pressure for wage increases. Relaxing policy was not possible.

sible, Mr Leigh-Pemberton said, because "there can be no doubt that lower interest rates would add to the inflationary pressures on the economy." The Governor discussed possible alternatives to high interest rates. Credit controls would not work, he said, because the removal of exchange controls meant that any restrictions could be circumvented by going offshore. Reserve ratios were an unnecessary alternative to existing mechanisms.

The main problem with all of these options was the exchange rate, Mr Leigh-Pemberton said. "Even supposing domestic demand management could satisfactorily be achieved at a lower level of interest rates, it might not be possible to reduce them if there were a risk that the exchange market would be unsettled."

Full membership of the EMS "could play an important part." It would possibly allow lower interest rates without damaging the currency. But he pointed out the strict disciplines which would be involved in entry to the ERM. "If membership is to mean anything, realignments would have to be regarded as a last and not a first resort."

In Brief

Hollywood threatens legal action against ITV

The UK's independent television ITV companies are facing the threat of legal action from Hollywood film distributors following a two week advertising campaign emphasising that "movies are free on ITV."

The campaign was designed to counter the attractions of Mr Rupert Murdoch's Sky Movies and the British Satellite Broadcasting film channel to be launched at the end of this month.

The commercial emphasised that films such as *Wall Street*, *Broadcast News*, *Fatal Attraction* and *Top Gun* would all be seen for "free" on ITV within the next 24 hours.

It is stated that Mr Murdoch's Twentieth Century Fox threatened legal action over the advertising campaign.

Rainham go-ahead

The Department of the Environment gave the go-ahead for a 25bn film studios and theme park development to be built on Rainham Marshes on the outskirts of east London by the mid-1990s.

The project, if it goes ahead as planned, will be Britain's biggest ever leisure development and has given a much-needed boost to Britain's leisure industry.

Labour tax call

The Labour Party urged the Government to move further in the direction of using tax incentives to encourage commercial banks to ease the Third World debt crisis.

Engineering campaign

Engineering unions intensified their campaign for shorter working hours by choosing 34 factories - including the Beeston, Nottingham, plant of GPT, the telecommunications company - where strike ballots are to be held.

Poll tax case

The 20 local authorities facing the threat of poll tax capping intend to choose one or two representative councils to mount a challenge to the legality of the Government's move. Following talks between council leaders and local authority associations, legal advisers have been asked to decide how a legal test case could best be launched.

N-Sea gas find

Hamilton Brothers, the US oil company, said it had found gas in the southern North Sea, 6km east of the Ravenspurn North gas field.

N-working practices

British Nuclear Fuels is discussing with its unions changes to working practices which will allow its Sellafield nuclear reprocessing plant to cut workers' exposures to radiation.

Depositors lose

Depositors in the failed Isle of Man Savings and Investment Bank which crashed in 1982 with debts of over £40m, yesterday lost their court battle to recover damages against former members of the island's government.

Magazine buy-out

New Statesman and Society has given up the search for a single left-of-centre financial saviour and instead opted for a management buyout accompanied by a share restructuring.

Appeal decision

The Court of Appeal reserved its decision on applications by two Irishmen and a woman for leave to appeal against the conviction of conspiracy to murder politician Tom King and persons unknown but gave them leave to appeal against 25 years prison sentences.

Hospital infection

The Consumers' Association claimed at least one in every 20 patients picked up an infection while staying in hospital. The association, in the latest edition of its magazine 'Which way to Health', said the longer people stayed in hospital the greater the chance of picking up an infection.

Plessey research cut

The General Electric Company, which this week announced it was to take over the bulk of the Plessey electronics group, is to end Plessey's participation in two superconductor research projects.

ICI prosecution

The Health and Safety Executive is to prosecute Imperial Chemicals Industries, the world's biggest manufacturer of commercial explosives, concerning the explosion last March at an industrial estate in Peterborough in which a fireman was killed and over 100 people injured.

Tax collection

The Inland Revenue is failing to collect on time as much as 7 per cent of the taxes and duties it should be getting from the public in any one year, according to the National Audit Office.

GUINNESS TRIAL

Jury hears Heron took shares in Argyll

By Raymond Hughes, Law Courts Correspondent

MR GERALD RONSON'S Heron group bought shares in both Guinness and Argyll during their takeover battle for Distillers in 1986, the Guinness trial heard yesterday.

Heron bought £25m of Guinness shares which were later sold at a loss of £817,778. About £6m was spent on Argyll shares, on which an overall loss was also made, Mr Gerald Jospe told Southwark Crown Court.

Mr Jospe, a director of National Insurance and Guarantee Corporation, part of the Heron group, said that between February 4 and April 15 1986, Argyll shares had been purchased by NIGC and another Heron company, HH Investment Trading.

Those purchases had been made as part of normal investment activity, on the recommendations of stockbrokers Rowe & Pimman, who had been Argyll's brokers, and Scrimgeour Vickers, he said.

Mr Jospe was a witness at the trial of Mr Ronson, Mr Ernest Saunders, former chairman and chief executive of Guinness, Mr Anthony Parnes, a City stockbroker, and Sir Jack Lyons, the millionaire financier. They deny charges arising from an allegedly unlawful share support operation mounted by Guinness during the battle for Distillers.

Mr Jospe said that on January 23 1986, Mr Parnes had told him he had bought 150,000 Guinness shares on NIGC's behalf.

"He said we were going to buy a large amount of Guinness shares and that he was going to arrange the purchasing through me."

Mr Jospe said he had asked Mr Ronson if that was a valid instruction and Mr Ronson had said it was.

On about April 10 1986, Mr Jospe said, Mr Parnes had told him that Heron would be spending up to £25m on Guinness shares.

After Guinness's bid had succeeded Mr Parnes had said the shares should be transferred to a nominee company. Mr Jospe had checked with Mr Ronson, who had said that, if that was what Mr Parnes wanted, Mr Jospe should go ahead. The shares were transferred to Eagle Holdings and later sold at a loss.

Mrs Barbara Mills, QC, prosecuting, asked whether, as a director of NIGC, Mr Jospe would not have expected to be told about an indemnity and a success fee.

Mr Jospe replied that he would not have thought he needed to be told more than he needed in order to carry out his functions.

Mr Timothy Cassel, QC, for Mr Ronson, suggested that Mr Ronson's attitude had been that if Mr Parnes wanted Mr Jospe to do something Mr Jospe should do it.

Mr Michael Marks, commercial director of Heron International, said that in May 1986, on Mr Ronson's instructions, he had ordered an invoice for £2.5m to be sent to Guinness by Heron Management, a group service company. He said he believed the invoice wording, "for services rendered, year ended March 31 1987", had come from Mr Ronson.

The trial continues today.



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The Carlton's convincing blend of performance, economy, grip and interior room, creates an argument for itself that the BMW 535i Sport cannot answer.

THE ULTIMATE DRIVING MACHINE IS NOW THE PENULTIMATE DRIVING MACHINE.

According to Autocar & Motor, the BMW 535i Sport (0-60 in 7.4 seconds) has been overtaken by the Carlton GSi 3000 24-valve (0-60 in 7.0 seconds).

Naturally, no-one buys a sports saloon for its acceleration alone.

So they very kindly pointed out that the Carlton also beats the BMW on cornering, economy, gearing, torque, throttle 'feel', rear passenger space, boot space and standard equipment.

Nevertheless you may take the view that this is only Autocar & Motor's opinion.

In which case we'd refer you to 'What Car?', whose opinion of the Carlton is so high they voted it Sports Saloon of the Year. Above the BMW.

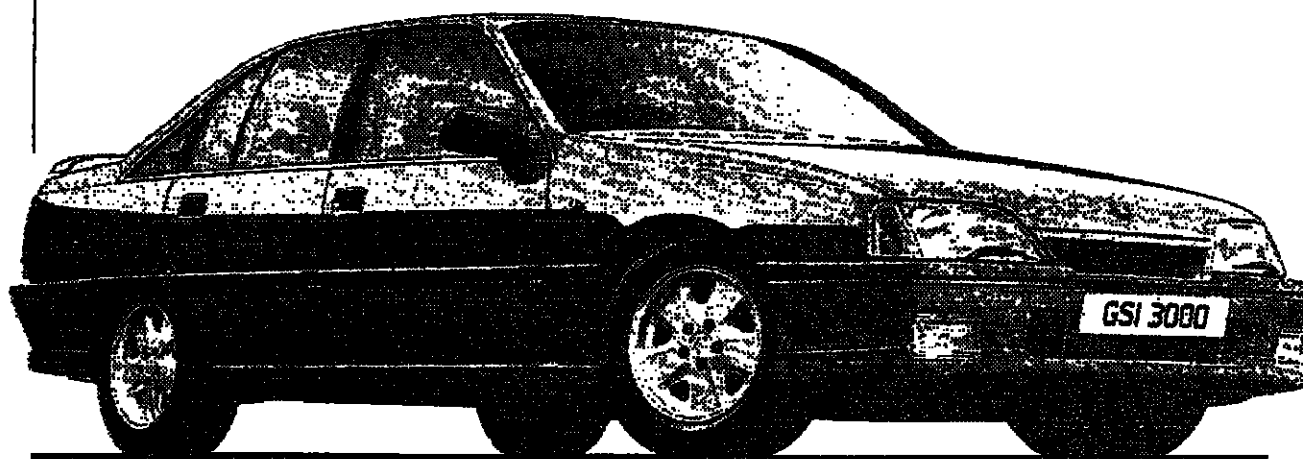
Of course, you shouldn't believe everything you read in the papers, even if they do all say the same thing.

Instead, why not test drive both cars?

That way you can make up your own mind.

Leave yourself plenty of time, though. With the Carlton costing £7,310 less than the BMW, you'll have enough money left to make it worthwhile testing an Astra as well.

THE CARLTON GSi 3000 24v.



VAUXHALL. ONCE DRIVEN, FOREVER SMITTEN.

UK NEWS

Danish food chain eyes UK market

By Maggie Urry

NETTO, the Danish limited-line discount-price food retailer is studying ways to enter the UK market, following the arrival of Aldi, the West German discounter which is expected to open its first store in the UK this month. The sector is dominated in the UK by Kwik Save.

Mr Henrik Gundelach, general manager of Dansk Supermarked, which owns Netto and two other food retail chains in Denmark, told an international retail conference organised by Goldman Sachs, the securities house, that Netto had not decided whether to enter the UK market through acquisition, forming a joint venture or setting up a chain from scratch.

UK grocery groups consider the market to be intensely competitive already, but Netto sees the profit margins of UK food retailers as attractive compared to those in the Danish grocery market — which has been dogged by price wars and thus low gross margins.

In Denmark, Netto operates from shops of 3,500 sq ft and sells only 650 lines, with the emphasis on packaged groceries, dairy products and fruit and vegetables in season. It has a 3.6 per cent market share in Denmark.

Most companies 'favour' Britain joining the EMS

By Andrew Marshall, Economics Staff

MORE THAN two thirds of British companies believe the pound should enter the exchange rate mechanism of the European Monetary System, according to a survey published today.

The survey, prepared for KPMG Peat Marwick McLintock, also found interest growing in doing business with western Europe and exporting to eastern Europe, among the 158 British companies interviewed, all of which had turnover greater than £25m.

Seventy-eight per cent of respondents said they would like to see the pound as a member of the exchange rate mechanism of the EMS, with 26 per cent regarding it as very important.

The EMS would contribute to greater financial stability and stabilise the pound, 41 per cent of respondents said, while 18 per cent said it would give the UK closer links to Europe.

On wider economic issues, the most important area of concern was interest rates. This seems to indicate that companies believe that EMS entry would relieve the pressure on UK rates. The survey

indicated that 68 per cent of responding companies competed internationally, and believed that service and quality were the main factors contributing to competitive advantage. Companies in the south were much more likely to see their business as international than those in the North.

Continental Europe was seen as the area where the greatest competitive threat would come from, according to 42 per cent of respondents. Forty-one per cent had tried to establish a partner in Continental Europe in the last five years.

A surprisingly high proportion of companies — 39 per cent — said they had not changed their plans as a result of the EC's plans to create a single internal market by 1993. Of those who had, 22 per cent said the increased accessibility of markets was the main factor, with 20 per cent adducing increased competition.

Nearly half the responding companies saw recent developments in eastern Europe as a positive factor for their businesses, with the vast majority of seeing eastern Europe as a market opportunity.

The Greens come down to earth

Ralph Atkins on the chill winds blowing at a spring conference

SECURITY was tight at Wolverhampton civic hall in the English midlands on the eve of the Green Party's spring conference.

Cars had been banned from the precincts, sniffer dogs had searched for bombs. The stage was set for a drum-thumping spectacle. If only it had all been for the Green Party — and not the military band concert due that night in the same hall.

Six months after its autumn conference when triumphant Greens feted the world media and basked in European election glory, the party was brought back to earth with a bump yesterday.

No more than 200 members gathered for the one-minute "attunement" at the conference opening: the television lights were no longer there. On even the most optimistic interpretation of the opinion polls the party has manifestly failed to build on momentum generated last summer.

After a dismal score in the Mid-Staffordshire by-election, support stands at a measly 5 per cent — compared with 15 per cent in June. Without a miracle in May's local elections, the party looks set to return to where it has lain for most of its 16 years — on the fringe of party politics, treated affectionately as slightly loony.

But the party remains as

uncompromising as ever, bashing away at its warning of impending environmental gloom. It remains trapped by its cumbersome constitution whereby conference grinds through the minutiae of ecologically sound energy policies with little time for issues of concern on the doorstep such as beating inflation or lowering interest rates.

The party has failed to capitalise on its strength as a movement that genuinely puts the environment ahead of all other considerations. It has failed to sell what is potentially a rich seam of "green alternatives" which even opponents admit have a robust internal logic — such as proposals for energy conservation, alternative economic indicators or recycling.

At national level the Green party is no longer a threat. "The no-growth party has failed to grow," smirked one Labour frontbencher. Conservatives dismiss the party out of hand alongside the Liberal Democrats and SDP.

The frustration has begun to rub with many members — most notably Mrs Sara Parkin, the 43-year-old former nurse and party "speaker" who has the potential to be the Greens' greatest electoral asset.

She has charm and political astuteness and is unafraid to lecture a Nato officers' training

course or hector an inquisitive local company director in a Wolverhampton pub.

The Green Party, she believes, has to be a political party — not a single issue pressure group, or a green think tank or forum for scientific debate. There is no time to explore how damaged the environment is.

"If you are driving a car towards a cliff you put the brakes on and try and steer in a different direction. Let's not just try and measure how far it is from the edge," she says.

Others are also concerned. Ms Jean Lambert, the Green party's representative in the European Parliament, said: "A lot of organisational changes need to be made. We are into the next stage of our development. There are a lot of demands on us."

Without changes, she believes "we will be on the sidelines." The struggle to reform the party is going to be hard, however. Green politics is in danger of being strangled by procedural gobbledygook — if the conference agenda is any guide.

Mighty ideas on the environment are threatened by "death by confusion" under a constitution which aims to give as many of the 19,000 members a say in running its affairs. It is a Catch-22 situation.

A constitutional conference

is planned for July but will have to look for reforms that can be implemented under the existing bureaucratic arrangements. There is a substantial group within the party opposed to change, preferring a decentralised, anarchic structure.

Conference gets bogged down into small-scale workshops and informal discussions without any conclusion or decisions. And a move towards a single leader is firmly ruled out. Mrs Parkin herself shies away from taking a domineering position and is unlikely to stand as an MP.

At the same time it is easy to present the green manifesto as hopelessly idealistic. Mrs Margaret Thatcher has already fired the first shots with her condemnation of "airy-fairy" environmentalists.

Mrs Parkin says Britain needs a "spiritual rebellion" and talks of peoples aspirations to live in "rose-covered cottages" rather than being "squashed like sardines on the London underground".

With the party's built-in inertia and the harsh realities of an electoral system that encourages a two-party system, the Greens are likely to have to readjust to their lower profile.

If change is to be brought about it will take a large-scale climatic change within the party — and not just in the atmosphere.



Nicoll in crucial health meetings

MANAGERS throughout the National Health Service are being called to a crucial series of meetings beginning today to be told that the implementation of the Government's health reforms is in their hands, writes Alan Pike.

The NHS, Europe's largest civilian employer is about to undergo one of the biggest programmes of change attempted by any organisation. The latest reforms are designed to introduce a system of funding based in competitive contracts, efficiency, productivity and value-for-money.

Mr Duncan Nichol, NHS chief executive, pictured above, said: "There is no point in some managers, districts or hospitals imagining that if they ignore what is going on, and leave the running to others who are more enthusiastic, they will not feel the effect."

Annual General Meeting of AB Volvo

The Annual General Meeting of the shareholders of AB Volvo will be held in Scandinavium, Main entrance from Valhallagatan 1, Göteborg (Sweden) at 4:30 p.m., Wednesday, April 25, 1990.

Matters to come before the Meeting, as prescribed by law and the Company's Articles of Association, shall include: presentation of the accounts and annual report for the year 1989; adoption of the Income Statement and Balance Sheet of AB Volvo as well as the Consolidated Income Statement and Consolidated Balance Sheet; disposition of the profit as shown in the Balance Sheet adopted; discharge of the Board of Directors and Managing Director from liability; determination of the number of members and deputy members to be elected by the Meeting to serve on the Board of Directors; approval of fees to be paid to the Board and auditors; and the election of Board members, deputy members, auditors, and deputy auditors.

The Annual General Meeting shall also take action with respect to authorization for the Board of Directors to sell to the Renault Group of France 25 percent of the Volvo Cars business, 45 percent of the Volvo Truck and Volvo Bus businesses, within the framework of a future agreement with Renault.

In addition to the matters listed above, the Meeting shall consider the proposal of the Board of Directors with respect to a change in the alien ownership prohibition clause in the Articles of Association as follows:

Present wording:

"§6. Only a certain proportion of Company shares — at all times corresponding to less than 40 percent of the entire share capital and less than 24 percent of the voting rights for all the shares, may be acquired by subscription or transfer by a control subject of the type referred to in the Swedish Act (1982:617) concerning acquisition by non-Swedish subjects of Swedish Companies, etc."

Proposed wording:

"§6. Only a certain proportion of Company shares — at all times corresponding to less than 40 percent of the entire share capital and less than 30 percent of the voting rights for all the shares, may be acquired by subscription or transfer by a control subject of the type referred to in the Swedish

Act (1982:617) concerning acquisition by non-Swedish subjects of Swedish Companies, etc."

In addition, the Annual General Meeting shall take action on the proposal to make additional grants in the amounts of SEK 25 million each to the Volvo Research Foundation and the Volvo Educational Foundation.

The Annual General Meeting shall also consider the proposal of the Board of Directors that AB Volvo shall raise a convertible subordinated debenture loan in an amount of approximately 800 million Swedish kronor through issuance to employees of convertible debenture certificates. The loan will carry an annual fixed rate of interest which — depending on the market rate — is currently estimated to be around 12.5 percent. The conversion price shall be approximately 140 percent of the market price for AB Volvo Series B restricted shares during a specified period prior to the Annual General Meeting. Upon full conversion, the share capital of the Company will increase by approximately 42 million Swedish kronor, equal to a dilution of about 2.1 percent of the Company's shares and to about 0.5 percent of the voting rights in the Company. The precise terms of the loan, the nominal amount of the debenture, interest rate and conversion price will be set by the Board of Directors not later than one week prior to the Annual General Meeting.

Only persons who are permanently employed in the Volvo Group on May 28, 1990 — with the exception of the Provender Group — shall be entitled to subscribe for convertible debenture certificates. In this connection, subscription by employees in the Group's subsidiaries outside Sweden is subject to the requirement that subscriptions of convertible debenture certificates may be made under the laws of the host country and that, in the opinion of the Board of Directors, such subscriptions can be effected at reasonable administrative and financial costs.

Qualified persons shall have the right to subscribe for convertible debenture certificates in a nominal amount corresponding to not fewer than 25 shares and not more than 300 shares, with a guaranteed allocation of 25 shares.

The convertible debenture certificates shall be issued at a price equal to the nominal amount of the certificates.

The convertible debenture certificates shall be subscribed during the period beginning May 2, 1990 up to and including May 28, 1990.

The Board of Directors reserves the right to extend the subscription period and, in connection therewith, allow the employees designated above, to subscribe for additional debenture certificates in a nominal amount corresponding to not more than 300 shares, as well as to allow Stiftelsen Volvoresultat (the Volvo Employee Bonus Fund) to subscribe for debenture certificates.

Payment for convertible debenture certificates subscribed and allocated shall be made in cash at one time in the nominal amount of the certificates, not later than August 15, 1990.

Holders of debenture certificates shall have the right to convert their certificates to AB Volvo Series B shares during the period beginning August 17, 1992 up to and including March 15, 1995.

The convertible debenture certificates fall due for payment on March 31, 1995 to the degree that prior conversion has not occurred.

The Board's proposal to issue convertible debenture certificates, will be available at the Head Office of AB Volvo in Göteborg beginning Wednesday April 18, 1990 for shareholders who wish to examine these materials, which will also be sent to shareholders who so request.

The debenture issue will not be made available in the US or to US persons.

Information on the planned alliance between Volvo and Renault will be sent to shareholders in connection with the distribution of the Volvo Annual Report 1989.

Right to participate in Meeting

Participation in Volvo's Annual General Meeting is limited to shareholders who are recorded in the share register on April 12, 1990 and who advise Volvo, no later than 12:00 noon, (Swedish local time) Friday, April 20, 1990, of their intention to participate.

Share register

Volvo's computerized share register is maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Center).

Volvo shares are registered in the names of either their owners or trustees. Only owner-registered shareholdings are listed in the names of shareholders in the share register.

Volvo Group operations in brief		1988	1989
Sales, SEK M		96,639	90,972
Income before allocations, taxes and minority interests, SEK M		8,243	7,011
Return on capital employed, percent		17.2	13.8
Income per share, SEK		52.80	45.20
Dividend per share, SEK (1989 proposed)		14.00	15.50
Number of employees, December 31		78,614	78,690
Salaries, wages and social costs, SEK M		15,434	16,875
Research and development costs, SEK M		5,139	6,176
Capital expenditures for property, plant and equipment, SEK M		3,948	6,281

To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must have their shares registered in their own names.

To assure that such shares are reregistered in ample time, the holders of trustee-registered shares should request that the bank or broker acting as custodian of the shares register them (temporarily) several banking days prior to April 12, 1990. Trustees normally charge a fee for this service.

Notice of intention to participate

Notice of intention to participate in the Meeting may be given, no later than 12:00 noon, April 20, 1990, by telephone:

+46-31 59 00 00
+46-31 59 21 50

or in writing, to:

AB Volvo
Legal Department
S-405 08 Göteborg, Sweden

In providing such notice, a shareholder should state his or her name, personal registration number (where applicable), address and telephone number.

Shareholders who wish to appoint a proxy to act on their behalf at the meeting should notify AB Volvo well in advance of the meeting, giving the name of the proxy. A proxy need not be a shareholder of AB Volvo.

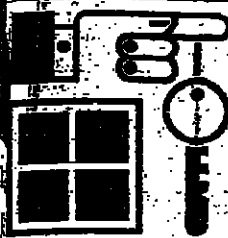
April 30, 1990 has been proposed by the Board of Directors as the record date for the payment of dividends. Payment is expected to be made through VPC on May 8, 1990.

By order of the Board of AB Volvo

Claes Beyer, Secretary to the Board
AB Volvo
S-405 08 Göteborg, Sweden

April 1990

FINANCIAL TIMES SURVEY



Fresh attention is being paid to property management, which was once neglected

in the public and private sectors. It can reduce costs, open up new streams of revenue and increase the net worth of a company, says Paul Cheeseright

An essential efficiency

SLOWLY but surely the perception of property management is changing. The force of economic circumstances is ensuring that what has been seen as a boring necessity to be ignored whenever possible is not simply a matter of changing the light bulbs or polishing the brass plate.

Rather property management is becoming increasingly recognised as a vital part of asset management: it can enhance the efficiency of a company and reduce its costs or open new streams of revenue and increase its net worth. There are two reasons for this. The surge in property values from 1986 to 1988 inevitably drew attention to the value locked into land holdings, especially those which might have become surplus to a company's operational requirements. This was reflected in the amount of industrial companies entering joint ventures with property developers in the hope of bringing about, for example, a new shopping centre.

The most controversial examples of the use of surplus industrial land have been associated with British Aerospace, whose plans for land once used by Royal Ordnance drew attention to the changing values

associated with turning passive assets into active assets.

At the same time, rising property values made companies with extensive but underused holdings more attractive. The attraction of Storehouse, when it was a takeover target, was just as much its retail properties as its retailing operations. Hence the decision to take properties out of the group and place them under the control of a joint venture company set up with London & Edinburgh Trust, the property group. Active property management is one way of erecting barriers against corporate predators.

As the rise in values was running in parallel with more innovative methods of property financing, management could run in ways that liberated capital for the property owner, allowing funds to be pushed into the mainstream business. This has been particularly evident in the retail sector. At its simplest level, this has involved sale-and-leaseback deals, a practice followed by Kingfisher and Ratsners.

The second reason for changing attitudes towards property management has been associated with rising costs of accommodation, an inevitable con-

comitant of the rise in values. Simply because rents have risen, because service charges have tended to increase, the need to keep a more careful watch on expenditure has become obvious.

For larger businesses, at times of expansion and growing profits, the cost of accommodation has not been an issue. It has just been absorbed. But now that companies are having to come to terms with the effects of the rise in rents simultaneously with a downturn in the economy, the question of accommodation costs becomes important. This is one reason why some companies have chosen to move from the congested and expensive south-east.

Analyses by chartered surveyors give a taste of the rise in costs. In the year to June 1989, Healey & Baker calculated that the average rise in rental costs for offices throughout UK town centres was 30 per cent. Jones Lang Wootton charted a 35 per cent increase in service charges for air-conditioned office buildings between 1983 and 1988 and 42 per cent for non-air-conditioned offices.

During the year to last February, industrial properties had a 29.1 per cent rental growth, offices had a rental growth of 17.6 per cent and retail properties had one of 11.6 per cent, according to the Investment Property Databank.

Against this background it is not surprising that companies are paying more attention to the management of costs. But it is not only companies. The process of more active property management has spread into the public sector as well.

A succession of reports from the National Audit Office and the Audit Commission has shown that the public sector property managers, whether it be local councils, the Property Services Agency or the Crown Estate, are striving to adapt to new cost-conscious conditions, but with mixed success.

In the public sector, the moves have been directed towards bringing into property management private sector techniques. Hence the movement of the PSA towards commercial status by its transformation initially to a trading fund with commercial accounts and eventually to a privatised company coupled with the relative freedom granted to individual government departments to choose whether or not they wish the PSA to handle their accommodation problems. Hence, too, the introduction of private sector managers into the Crown Estate.

The object here is to move away from the gross inefficiency which has been described in detail by official reports. But the picture in the private sector, changing just as



PROPERTY MANAGEMENT

it is in the public sector, shows equally a haphazard approach to property matters.

A Reading University report for the Royal Institution of Chartered Surveyors, published at the end of 1989, showed property needs tending to be subordinated to the operational needs of companies rather than integrated with them. Thus there were complaints by the property managers of the difficulties of fitting

the short-term operational needs with the longer lead time which is necessary to secure the related property objective.

Just as in the public sector, official reports noted sloppy management systems for property, so the Reading report noted the inability of many companies to maintain property management accounts. Many companies, the Reading researchers found, did not

know or understand the opportunity cost of the property they occupied. That is, they did not understand what the costs to the company would be if it had to find similar accommodation in the open market.

The common element in both the public and private sectors is criticism of the lack of defined objectives for property and often the lack of resources to carry them through. Few authorities, com-

plained the Audit Commission two years ago in a report on how local bodies were handling around £100bn of assets, "have clearly stated reasons for holding property. In many authorities the distinction between the categories of property is non-existent or blurred. Property should be categorised and the purpose for which it is held clearly stated so that appropriate performance measures can be set."

In this survey

- ☐ The public sector 2
- ☐ Private sector assets 2
- ☐ Looking after buildings 2
- ☐ Property Services Agency 3
- ☐ Management techniques ... 3

If the injunction was valid then it remains valid now and can be applied across the private and public sectors. But old habits are changing as economic and political conditions change.

One of the catalysts for the change of habits is the spread of the property management industry itself. There has been a proliferation of computer systems designed to organise maintenance schedules: if there is a single besetting problem in both public and private sectors it is the tendency to delay maintenance expenditure so that eventually capital spending becomes necessary. So there has been the emergence of computer packages such as Premis from Property Management Systems, Skyline from Fraser Williams and Esteteman from Simon Houlston. And, in a more specialised way, the elaboration of systems for organising staff movements within a building by Decision Graphics.

Side by side with the sale of systems for the use of the occupier, specialised companies such as Facilities and Project Management have emerged to compete with the chartered surveying groups which have traditionally sold management services. At the same time, US property management specialists like Tishman West have moved into what is, by American standards, an underdeveloped market.

The hiring of the specialist management companies means that an occupier can hand over as much of the management as it desires to the point that its building can become like an office hotel for its exclusive use.

The use of specialist management companies will become more common as the nature of properties changes. Management of a single building occupied for a single purpose by a single occupier is much simpler than the running of a building with diverse occupants and diverse aims.

But, just as the simple example of mixing retail use and office use shows, landlords are finding that one activity can promote the establishment of others. Leisure facilities may complement the shopping in a retail complex. It is at this point that property management and asset management intertwine. The more imaginatively the assets are used, the greater the need for rigorous property management.

John Brennan looks at Walt Disney's 'magical' formula.

Making the assets sweat

WHEN Walt Disney selected Orlando, Florida, for his second "Magic Kingdom" he explained the decision on two basic grounds. First, Florida had the visitor throughout in the shape of the East Coast "snowbird" tourists flying out from the northern winters. Second, less obviously but equally important, he was able to acquire sufficient land to benefit from the "halo" effect of the development of Disneyworld and scope to build the later Epcot centre.

Disney had watched the owners of sites around his Disneyland centre in Los Angeles grow rich on trade generated by his visitors. In Florida, he made sure that there was sufficient elbow-room for the Disney Organisation to capitalise upon the new business.

Today, the Disney Organisation provides a text-book study of "asset enhancement", a de-motivated version of that more familiar Harvard Business School favourite of "making the assets sweat". Before Disney there were amusement parks. Post-Disney much the same mix of rides and shows can be seen as a magnet to consumers.

Restaurants and shops on site are backed up by hotels and conference and exhibition centres. The shops have stretched way out of the parks, into Disney's own retail chain and beyond into mail-order sales and some 15,000 licensing contracts for branded products worldwide.

Most of those properties were financed by long-term savings institutions who expected compound rental growth on non-management leases to more than make up for initial yields well below inflation rates. Obsolescence is the virus that has destroyed those expectations and which feeds upon failure to match building space to changing tenant demand.

At one level this has forced commercial building designs towards the creation of increasingly more flexible internal space. The "core and shell" office block, a construction envelope into which occupiers place their own preferred interior, is merely the most expensive variant of a general

block might reasonably claim direct lineage from the medieval scriptorium, or the often palatial civic offices of the 18th Century. But it is only really since the age of the steel frame building, the typewriter, telephone, and Elisha Otis's safety spring on a hoist to create the passenger lift, that the office as an isolated place of clerical work has become so distinctive a part of the scenery.

Given the need to make buildings adapt to people rather than the other way round, this comparatively brief era of dedicated building is fading without undue ceremony. Hotels are reverting to their traditional status as overnight gathering places, where retail-

take seriously the need to landscape and to maintain the general environment of the site. The workforce has translated into the staff with adequate car parking. The buildings, and the standard of building management, have to reflect that or risk losing their competitiveness.

Successful shopping centres no longer have a few hundred pounds management budget spent on an occasional sweeping of the common parts. The contrast between the bleak, concrete-faced town-centre markets of the immediate post-war development phases and the multi-screen cinema, playgrounds and leisure facilities at MetroCentre in Gateshead is sufficiently dramatic to underline the difference between retail properties built for functional shopping and a new generation of visitor-spending centres.

Much of the "retail revolution" in Britain of the 1980s can be ascribed to the stores groups' recognition that task shopping could be won on the ease of access, price and choice, but that the better margin and increasingly important volume of discretionary spending would not pass into shop tills unless shops competed for customers' leisure time.

The speciality shopping centres that have transformed outdated buildings and rundown inner urban areas have succeeded by winning visitors' leisure time in competition with everything from cleaning the car to an evening watching television.

Just as in the Disney parks, the shoppers and the restaurant customers don't have to be there, they want to be there. And, winning that marketing battle calls for a level of property management that has more in common with the showman than the historic, rudimentary skills of physical building maintenance and periodic lease renewal.

Forthcoming surveys

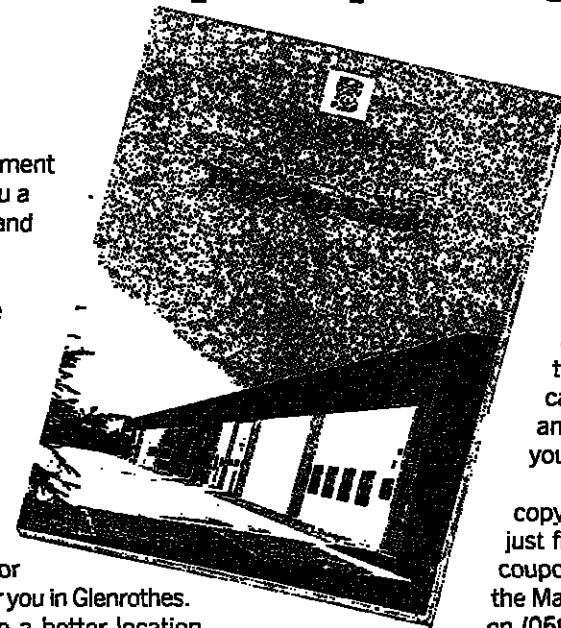
A number of property surveys will be published in the FT this year. They include:
☐ London Docklands - May
☐ Office property - June
☐ Property investment and finance - July
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 Editorial synopsis for the above surveys can be obtained from The Financial Times, Number One, Southwark Bridge, London, SE1 8HL. Telephone: 01-573-3337, (direct line to Helen Martin).

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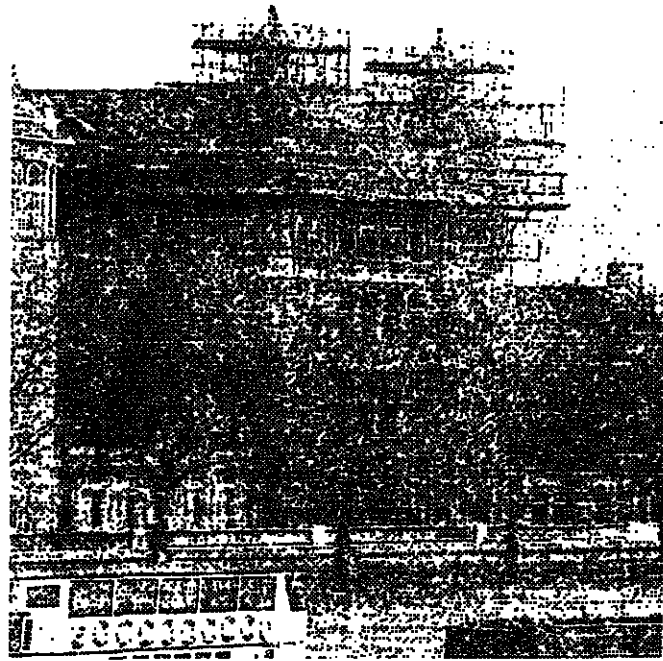
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FT1

PROPERTY MANAGEMENT 2

Council houses have a history of neglect, says Richard Catt

Public estates crumbling



Refurbishment of St Thomas's Hospital in Lambeth

BRITAIN'S huge public estates are crumbling. A spate of government-sponsored reports has shown up the awful state of many schools, colleges, council housing and hospitals.

Some are so bad that there are health and safety hazards; working conditions are affecting efficiency and in some buildings maintenance is so expensive that it would be cheaper to rebuild.

Eighteen years ago a government report concluded "building maintenance is of great significance to the economy, not only because of the scale of expenditure involved but also because of the importance of ensuring that the nation's stock of buildings as a factor of production and as accommodation, is utilised as effectively as possible. This importance needs to be recognised more clearly [by] senior management in the public sector."

The same report concluded that "the problems of building maintenance arise at the initial briefing and design stage of new buildings and during construction."

Now, especially with privatisation of many formerly public-owned estates, these mes-

sages are coming home with a vengeance. It is popular to blame much of the neglect on the original architects or their clients. But this does not excuse the neglect which must now be dealt with, not least because in many cases balance sheets throw up the potential loss of value of vital property assets.

The November 1986 Audit Commission report *Improving council house maintenance* gave the message that "the maintenance of council houses affects not only the quality of life of families living in them but also the value of the public assets involved. Yet, there has been a history of neglect of the maintenance of many of the 4.8m council houses in England and Wales."

In spite of annual expenditure of around £425 for every dwelling - more than £20 a year - a backlog of mainte-

nance work has built up which could well cost over £10bn to clear.

Sales of council houses to tenants may have had an effect on the overall scale of the problem and inevitably the dwellings in better condition were sold.

The vast National Health Service Estate, according to the October 1988 National Audit Office report *State management in the National Health Service*, extends over 50,000 acres of land, 2,000 hospitals and thousands of other buildings, which altogether are worth £10bn. The estate then costs £1.5bn a year to operate and maintain.

In 1983 architect Ceri Davies was commissioned to "consider means which will ensure that health authorities identify health care and surplus land and property and where appropriate dispose of it in ways

which will create maximum benefit for the service". Mr Davies' report showed alarmingly that much basic information about the NHS Estate - its value, use, condition and even the amount held - was lacking. The backlog of maintenance, however, was estimated at £2bn.

As a result, the NHS Management Board was established, together with the Estate and Property Management Directorate - headed by chartered surveyor Miles Pearce - charged with preparing policies and guidance for the health authorities.

Mr Pearce found that there was a lamentable lack of understanding of what property management required. The staff in charge were not highly regarded and some "had been concerned with technical excellence at the expense of the need of the users." But

many estate managers were sitting on gold mines and should bring strategic property management to the NHS, with the same flair in property deals as their commercial counterparts, and free the potential embodied in the Estate.

Now the maintenance backlog is being whittled away; sales of redundant land are running at about £800m a year; a central data base has been established for all the NHS listed buildings and special training courses established for senior staff. Partnerships with developers will enable the NHS to participate in profits and rental growth.

Last November, a survey of the state of 84 polytechnics and colleges, commissioned by the Polytechnics and Colleges Funding Council, recommended that £225m was needed "to restore the building stock to a condition from which it

can be maintained with regular planned and cyclical maintenance programmes".

The money should be spent over five years to restore the buildings to a serviceable condition, according to the authors of the report, building surveyors and architects Hunter & Partners.

Of the total, £75m is needed immediately to comply with essential health and safety regulations, and £150m for urgent structural repairs.

The report states that most defective buildings were constructed during the 1960s at the peak of post-war school and college construction.

The architects expected that with continuing prosperity resources would be available now, 20 or 30 years after their buildings were first built, to replace them. The result is "the institutions are now faced with painful decisions about renewal and replacements of parts of the buildings, and indeed replacement of whole individual buildings".

Building maintenance: the report of the committee, HMSO, 1972.

PRIVATE SECTOR ASSETS

Misunderstood and underrated

A POSER for company chairmen: what do you use every day, makes up a large part of your net worth but is practically never mentioned? It rains resources, can save your bacon in a takeover bid but generates yawns if ever mentioned at board meetings.

The answer is all around you. Buildings are the most misunderstood, undervalued and badly run assets in businesses which are not primarily based on property development or investment. They keep out the rain, keep in the air-conditioning but otherwise are generally a nuisance - a non-productive expense better spent on the main purpose of shuffling paper or manufacturing widgets.

Rarely will a property specialist be found sitting at a boardroom table pontificating on long-term strategy. Yet more than half the companies recently investigated by a Reading University* research team had close to a third of their asset value tied up in buildings.

These sleeping assets usually come to the fore only at critical times. Moving or taking on new premises, for instance, concentrates the mind wonderfully. Prospective tenants or buyers are much more demanding about what they want nowadays. Gone are the times when developers could palm off any old speculative tat.

But standards seem to slip when a company is well established. Directors rarely keep up to date with the real value of their premises, particularly if they own freeholds. They are often knocked off balance when a bid appears out of nowhere from someone who has spotted the undervaluation in a share price.

"In an environment where company takeovers are almost an everyday occurrence, a company unaware of the extent, value or potential of its property assets is increasingly vulnerable," says Richard Maidment, management partner at Jones Lang Wootton.

This hidden deficiency has been most obviously exposed in public sector deals carried out in the harsh light of the political arena. Upstart over the government's side of Royal Ordnance and the Rover Group sprang from the huge profit British Aerospace might make from unrealised value tied up in redundant sites. Paul Orchard-Lisle of Realey & Baker muses that a property expert on the Ordnance board might never have allowed matters to get this far, and subsequent privatisations have been carefully planned to allow for

development potential and save politician's blushes. The electricity sell-off, for instance, will not include Bankside power station and Sudbury House, two prime central London sites.

Public companies are more likely to be guilty of similar shortcomings because they have even less well-defined policy objectives covering their bricks and mortar. Yet they are quick to revalue assets as a counter to unwelcome takeover bids. This may be justifiable but it demonstrates how negligent directors are in squeezing the best performance from buildings at other times.

Large organisations such as Boots, ICI or GRE take their responsibilities more seriously.

Directors rarely keep up to date with the real value of their premises

They have respected property departments, often with a specialist at board level. They develop strategies and maintain assets efficiently.

But the vast majority of companies don't know what their assets are worth or how to make them work better. "They are neither large enough to have a property department nor appreciative enough to take expert advice," says John Howard, senior director of the management department at Debenham Tewson & Chinnocks.

Even if the takeover threat never comes, they often get caught out by more mundane but expensive - repair problems or rent reviews. "The most expensive way to acquire or deal with operational property is to make hasty, unprofessional decisions which have little or no regard for the company's overall development aims," says Mr Howard.

Ideally, each business should have a five-year rolling programme which attempts to anticipate changes in operational needs, property values and maintenance costs. Rising energy prices alone have drastically affected the viability of many buildings while business rates appear to have caught a large number of companies on the hop even though property specialists were fairly accurately predicting the scale of increase two years ago.

Obsolescence is becoming commonplace as premises age into inefficiency, but the process may be hidden from inexperienced eyes. Few companies keep a property inventory, let alone run a computerised manage-

ment system, according to the Reading University investigation. Only the biggest have property management accounts to give comparative performance data and hardly any of the 500 or so interviewed by the researchers could quote the opportunity cost of their buildings. Current market rents are often thought irrelevant, particularly where companies own freeholds, yet they could be crucial to raising additional income through sub-letting.

"Many sit on property which could be exploited to a much greater degree by redevelopment, refurbishment, restructuring of leases or even by moving from unnecessarily expensive accommodation," says Mr Howard.

Two broad solutions are suggested. The first, which would lead off any management textbook, is that directors must define operational objectives and targets within which property can be managed according to specific aims. Property managers require the authority and the tools to do this, however. They must be brought higher up the executive pecking order and have computerised monitoring systems at their fingertips, giving a solid base for long-term planning. The main problem left to overcome is the long lead times necessary to maximise value. It can take two or three years to plan, construct and move into new premises and companies rarely look that far ahead because market conditions can change so rapidly.

The alternative, quite naturally pushed by property consultants, is to contract out responsibility for buildings. Agents are commonly used to manage assets but this often restricts them to routine rent payment, maintenance and repair rather than an integral part of advance planning and target-setting. Property audits and management contracts are gradually being accepted, but there is still a long way to go.

Managing Operational Assets. Department of Land Management, University of Reading, 1988.

David Lawson

LOOKING AFTER BUILDINGS

Outsiders still resisted

HIGH interest rates, rising utilities costs and the revolution in information technology have all given the facilities management industry a boost. However, there is still a resistance to effective facilities management in the UK which has been identified as the result of a reluctance to hand over managerial control to outside contractors.

Tony Thomson, of architects and space-planners DEGW, attempts to define facilities management as "the management of business accommodation through time in the most cost-effective way to meet organisational objectives".

Although he admits this is a statement of an objective rather than a watertight definition it does lead to the first

stage in effective corporate facilities management which is the decision whether to employ an integrated services contractor or facilities manager or whether to manage everything in-house.

The variety of skills needed to manage all the services required by a modern office building are growing at such a rate that in-house management is unlikely to be the best solution for any but the largest corporations. The fully privatised electricity industry, for instance, now presents large users with at least 14 potential suppliers and in four years' time will also apply to companies using 100 kilowatts or more of power a year. Weighing up the best deal and negotiating it does lead to the first

Continued on Page 3

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PROPERTY MANAGEMENT 3

PROPERTY SERVICES AGENCY

Focus of cynicism

THE trainee construction manager was looking glum. Work rates were not the problem; renovation of the courthouse he was working on had been running well ahead of schedule. "They will say it is due to the mild winter, not efficiency," he said. "After all, we are the Property Services Agency, so we cannot possibly be efficient, can we?"

The question needed no answer. The PSA has been the focus of private sector cynicism ever since it was set up 20 years ago to handle all the state's landlord and estate duties. Finally, it is set to be wound up. The design, maintenance and management services were handed off this week and will be sold - probably after 1992 - when they have established themselves.

The private sector will claim the work it always felt was its birthright. And an enormous

birthright that will be. The PSA is the largest building consultancy in Britain, with 8,000 properties to look after, an annual turnover of more than £2bn and a workforce numbering close to 27,000.

Ironically, almost everyone else working on the courthouse besides the white-helmeted manager was privatised long ago. Three-quarters of the PSA's work was already contracted out, and just about all the new construction. Nor is the agency being sold because of poor work and inefficiency: it won more than 20 design prizes last year and the trade unions estimate design costs as 20 per cent less than the private sector. The government refuses to confirm such superiority because it says the PSA had no commercial accounting system to judge by.

The next couple of years will show who was right, PSA loyal-

ists or private sector critics, but it will probably make no difference. Decisions are being made in line with other privatisations, on the philosophical basis of what functions should legitimately be private.

This is where our trainee manager comes in. Apart from the Crown Suppliers section, a management buy-out seems likely, with shares going to staff in a manner similar to the National Freight Corporation. Not something to be glum about, surely? "Perhaps not, but I don't know if I will still have a job by then because the staff is being slimmed down."

But you do not need worried staff to explain the pros and cons of the PSA. More than enough words have poured into Hansard over the last couple of years as the government has fought a running battle to push through its latest privatisation. Lord Graham, Labour's spokesman, summed up the opposition view with the standard argument against almost every privatisation during the second reading of the Lords debate on the enabling Bill.

The government was "hell-bent on privatising a publicly-owned service for purely doctrinal purposes," he said. Ministers had "twisted facts, kicked public servants in a sensitive place and ignored the security of the realm."

Ministers see things differently. They preach the need to bring a breath of market competition into what they consider a protected department. This means separating landlord functions from services such as management and design, which can be tested against private sector alternatives in line with the financial management initiative launched as far back as 1981, according to Chris Patten, the Environment Secretary.

Government landlord functions will not be privatised. They will remain in the rump of the PSA, called Property Holdings, with a workforce of around 1,700. Meanwhile, government departments have been "untied" from the PSA so they can choose whether to use outside management and design contractors.

Service functions will be handled by four operating divisions: PSA Projects - looking after large construction, project management and design; PSA Building Management - estate surveys, maintenance and small projects; Specialist Services - civil engineering, quantity surveying and building surveying; International - services abroad.

The core of the Design Directorate will remain to serve the operating divisions and also sell its services to the private sector. Some ministries have already tendered out their services. Mr Oliver Jones of Symonds Facilities Management, which has taken over 48 buildings for the Department of Social Security Midlands area, says the private sector is expecting a lot more business.

The changes fall short, however, of the radical restructuring many observers expected. The Centre for Policy Studies, usually an advance party for government thinking, called for emasculation of the PSA into a subsidiary role as a mere estate agent to the Treasury. Government departments should assume complete control of their buildings and support services, negotiating commercial leases and tendering out management contracts, it said in a 1988 study.

The government chose a middle route recommended by advisers Price Waterhouse, retaining the landlord functions and easing the Crown Suppliers and services sections into full competition. In the end, other political hot potatoes may decide whether the PSA's service departments are fully privatised. Commercial accounting will not be in place until next year and a flotation will not be feasible until mid-1992. By then a general election could have put a smile back on the face of our trainee manager.

David Lawson

JULIAN MEGADEV has summoned his company's consultants for a crucial breakfast meeting. Determined to prove a worthy replacement for the legendary Zachary Megadev, his late lamented uncle, he cleverly hides the fact that his knowledge of the property business is minuscule.

Item one: The Crystal Tower. Fifteen stories of mock-Georgian, high-tech office space, approved by Prince Charles and now ready for letting. "Hold out for a single tenant, of course. Much simpler that way," he says.

The agency team keeps quiet. They are not about to admit there is little chance of a big letting in this market. Better to let a few months go by and then suggest a floor-by-floor campaign. The property managers are more courageous, desensitised by years of battling with tough landlords and obstreperous tenants.

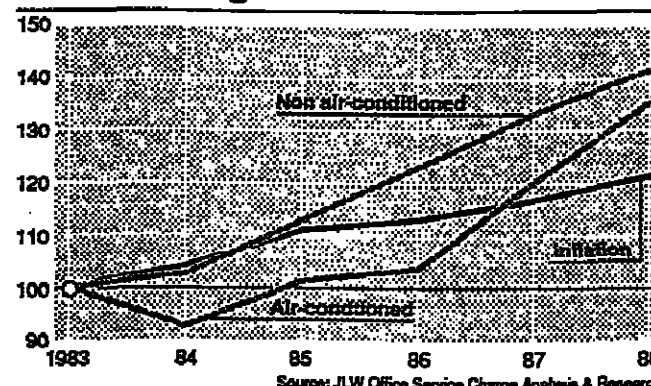
"Simpler, yes, but more expensive in the long run," says the senior woman. "Single tenants are supposed to look after repairs and maintenance but they never do it properly. Split the place up and we can manage it, making sure all that expensive air-conditioning and electronic equipment is properly serviced as well as handling the security, cleaning and so on."

Her juniors cringe. The fees will impress the partners but they are not looking forward to babbling a building designed without any consultation. The atrium will be impossible to clean and the glorious public concourse will upset tenants when they see the service charges.

"Right. Let's look into that again later," blusters Mr Megadev.

Item two: Beewun Park. "That's a very pretty high-tech estate off the M24. I'm glad to see that one or two buildings are let but my wife says the red and yellow stripes she designed for the doors are starting to peel. Don't we have lots of managers there to look after that?"

Service charge trends



David Lawson examines management techniques

More sophisticated systems

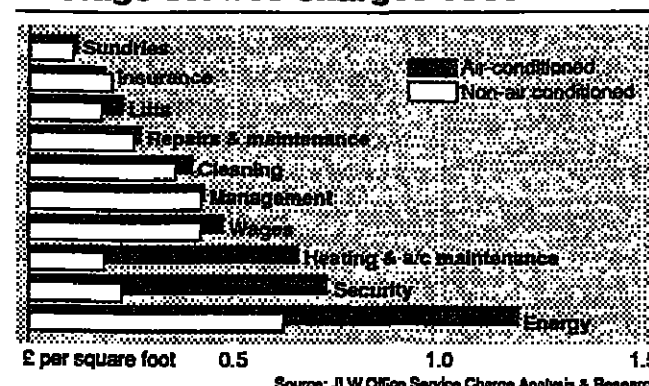
"No," answered the spokeswoman. "Industrial tenants usually do their own maintenance and servicing. But I will get onto our contractors."

"OK. Final item: The Spendmore Centre, our prize-winning retail extravaganza. We seem to be paying hundreds of managers there, and the fountains are still leaking into the empty shop units. What are they all doing?"

"Ah yes. Rather a bad design fault there, I'm afraid. Not our department," continued the voluble manager, realising why the senior partner had offered her the Megadev meeting. "But we need all those people to run the centre. There is the car park to look after, security against crowds from the football stadium next door, engineers to look after the air-conditioning and escalators between the seven levels and all the tenants to service - when our agency colleagues find some. I'll get a plumber."

Exit a relieved Mr Megadev to the golf-course. The scenario is far-fetched but not without some meaning. Management responsibilities vary widely according to property type and letting patterns.

Average service charges 1988



Source: J.L.W. Office Service Charge Analysis & Research

Continued from Page 2
ating a good contract with the supply chain is simpler for a specialist firm than it is for a single consumer.

This applies to the whole range of service contracts. The point is that it is simply a matter of finding the cheapest contract. Mr Thomson believes: "Most building occupiers are really more interested in quality of service. If you simply want the cheapest contract then the easiest way of achieving this is not to clean the building at all." Firms representing a number of clients are generally in a stronger position to negotiate with contractors and have the clout to ensure a high level of service.

Many contractors are prepared to send their own facilities manager into the building. According to Lionel Progers of Facilities and Property Management: "All buildings of a significant size, say 185,000 sq ft plus, should have an executive facilities manager. We can either provide someone direct or liaise with the in-house manager."

He believes the current generation of computerised facilities management systems make out-of-house management a more attractive proposition because they can co-ordinate service charges in a way that enables the client to monitor the budget closely.

Modern energy management systems are designed specifically to take advantage of cheap rates of power, identify

and control consumption while at the same time keeping up-to-the-minute figures on costs, also controlling lighting management systems throughout the building.

Although it seems to make sense to take advantage of the new management systems to cut costs there is a resistance on the part of UK companies which contrasts with their rivals in the US, Scandinavia or Germany.

While most companies might be happy to use a fully integrated utilities and services system to reduce and monitor costs they might be reluctant to surrender control at board level. If a consultant does a thorough job he is likely to examine the client's property interests and see how space can best be used, be prepared to offer advice on where the company locates its operations, what information technology it uses, how its premises are designed and dovetail facilities management with the management of the firm's human resources.

For companies who do not have in-house expertise, addressing the question of facilities management can disturb a hornet's nest of issues and many are reluctant to "take outside advice on what can be very easily amount to a total restructuring where information technology is used to relocate company operations and shed staff."

Tony Glover

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THE PROPERTY MARKET

Investment chances in Barcelona

By Paul Cheeseright

Barcelona tickles the property palate but it could very well end up leaving a nasty taste in the mouth of an unwary developer or investor from abroad.

On the attractive side are rents which have been moving up by about 25 per cent a year for the last five years, in spite of continuing demand for office accommodation there is limited capacity for meeting it in the traditional central business district.

Jones Lang Wootton (JLW), the chartered surveyors, says the amount of office space on a per capita basis is lower than the European Community average.

A succession of British property groups has looked at the Spanish market. Heron has been active in it for more than 15 years. Higgs & Hill has a small office project under construction, funded by the Norwich Union, in central Barcelona.

After three years of study, Hammerson has started a \$40m project to buy and refurbish a 1950s office building, also in the central business district, the Paseo de Gracia. Top monthly rental in central Barcelona has been moving towards Ptas4,000 (£22.56) per square metre. Hammerson used this figure as

the basis for its appraisal of a scheme which will change a building used by one occupier, an insurance subsidiary of Banco Exterior, into a multi-tenanted complex with 80,000 sq ft of space.

The company has been given planning permission for the refurbishment.

But the Hammerson purchase highlights some of the difficulties with the Barcelona market.

Purchase from a financial institution, for example, is relatively easy and not so much different from buying elsewhere in Europe.

But when a building comes from other hands, the situation may well be different. This was not a hoop through which Hammerson had to jump.

Much of Barcelona's property, often 18th century buildings with narrow street frontages and deep interiors, remains in family hands.

The market is not very active so sales have to be priced out and price haggling is often impossible.

"The global price cannot be negotiated. The vendor often sets a price and refuses to move," says Mr Benoit du Passage, the JLW agent in Barcelona.

A vendor may even make access

difficult for a potential purchaser to measure up a building.

It is likely too that there will be two prices for a building: one for public consumption and another for private dealing.

The capital gains tax liability on a sale is likely to be extensive if the building has been in family hands for decades.

The simplest way out for the vendor is to declare one price for official purposes - say, half the value of the building - and have the rest of the money discreetly paid off shore.

The problem here, however, is that there is a tax on the difference in value of a building without planning permission for refurbishment or redevelopment and the value after the permission has been obtained. If the publicly-declared purchase is too low then the buyer's tax liability increases later on.

Such idiosyncrasies make the market difficult for those who come in from outside not prepared to establish local teams.

Barcelona is not a city into which to rush, buy the first available building and catch the next flight out.

In a broader sense, investment is difficult because this is a market with few reference points. Until 1985 the leasing laws allowed tenants the right of unlimited occupation. If a lease agreement was signed 40 or 50 years ago, the rental income would be lower than the cost of running the building.

Not surprisingly, there was no investment market.

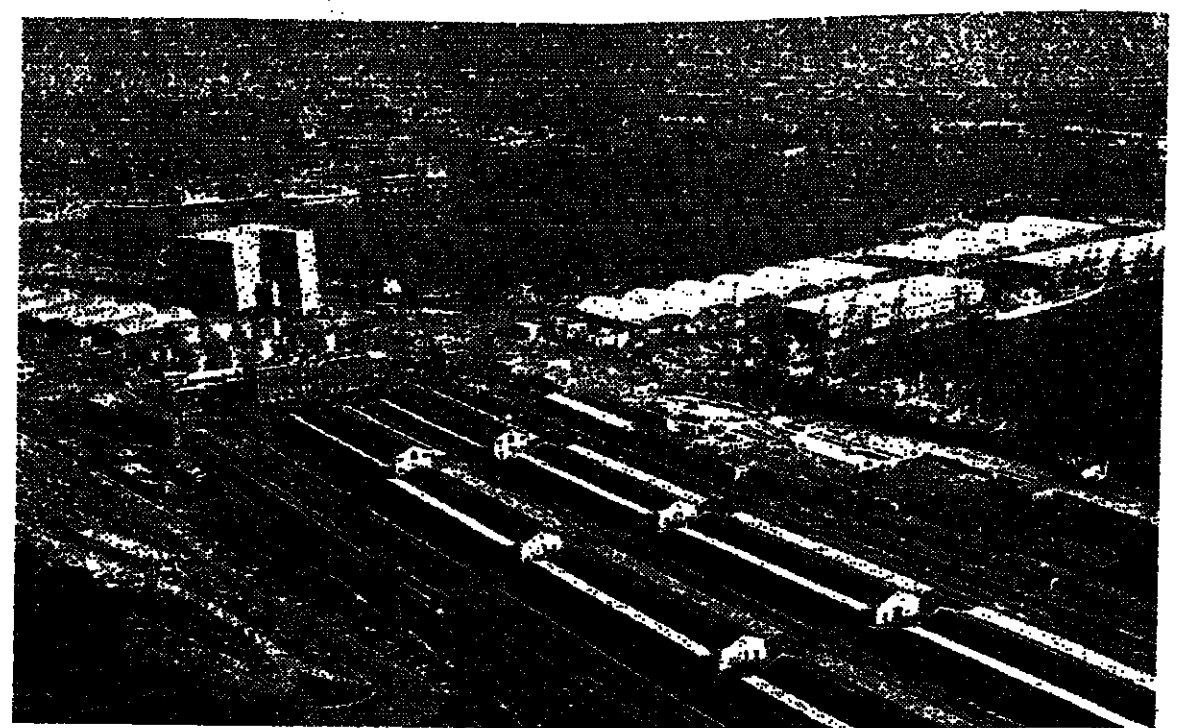
Since the law changed in 1985, however, the market has considerably freed up but the difficulty of moving tenants with existing occupation rights keeps the market narrow. Although there is talk of office yields of about 6.75 per cent, moving down to 6.5 per cent, the evidence is sparse.

Many city centre offices are in buildings mixed with residential use, have no air-conditioning and are not equipped to cope with the demands of modern office technology. Local analysts believe the Hammerson building will be a vital new reference point for the market, both in terms of yields - less than 6.5 per cent - and rents. It will be a modern office building in an area where there are few competitors.

The city authorities are trying to encourage new office development outside the traditional central location but, suggests Mr du Passage, the expectation of developers is that rents will run at about 80 per cent of central city levels. He does not think that is realistic to attract tenants they should be more like half.

However, Barcelona appears to be entering a phase of decentralised development which Paris has been through with La Défense and which London is going through with the Docklands.

Highly-developed city centres with ageing buildings prompt the need for modern buildings but often there is only the space available to



Waterfront: gearing up for the 1992 Olympics

create them outside the traditional areas. As a result, in crude terms, a choice emerges between quality and location. La Défense has shown that the new locations can take over 10 years to become established in their own right.

The Barcelona equivalent of the London Docklands is the old industrial area by the waterfront which will be the site of the Olympic village for the 1992 Games.

Part of this transformation is the construction of a hotel and about

400,000 sq ft of offices by G. Ware Travelstead, the US developer. Mr Travelstead had to hand over the construction stage of the first Canary Wharf scheme in the Docklands to Olympia & York in 1987.

The Travelstead offices in Barcelona are scheduled for completion in 1993 and their impact on the market is awaited with some curiosity.

The annual take-up of offices in Barcelona has been running at about 1m sq ft a year so the arrival, in a short space of time, of about

five months, supply in a district which has never before attracted offices could have a large effect on the market.

But this will not be all.

Around the railway station, being readied to take the high speed French TGV train, it is expected that secondary office area will develop. It is the uncertainties which the establishment of new office areas creates which leads developers such as Hammerson to stick to the city centres.

	Retail	Office	Industrial	All Property
Year to February 1990	5.7	16.4	24.2	12.7
Quarter to February 1990	-1.4	0.2	1.5	-0.3
Month of February 1990	-0.5	-0.8	0.2	-0.5

Source: Investment Property Database



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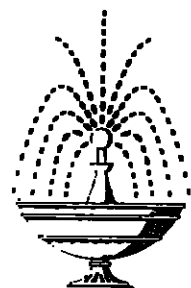
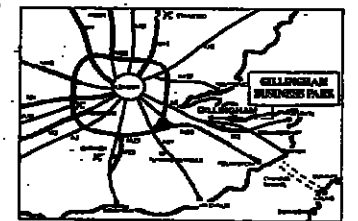
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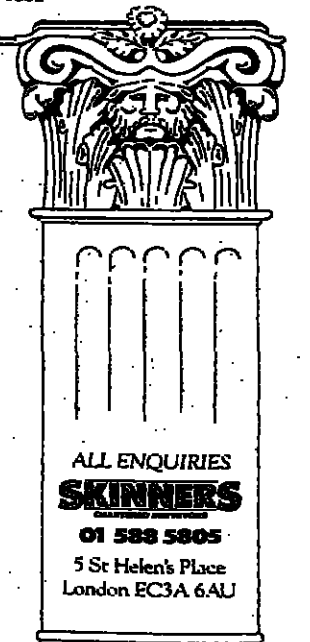
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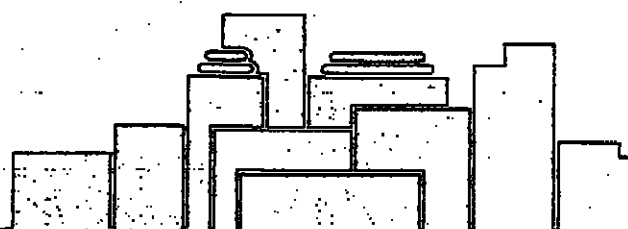
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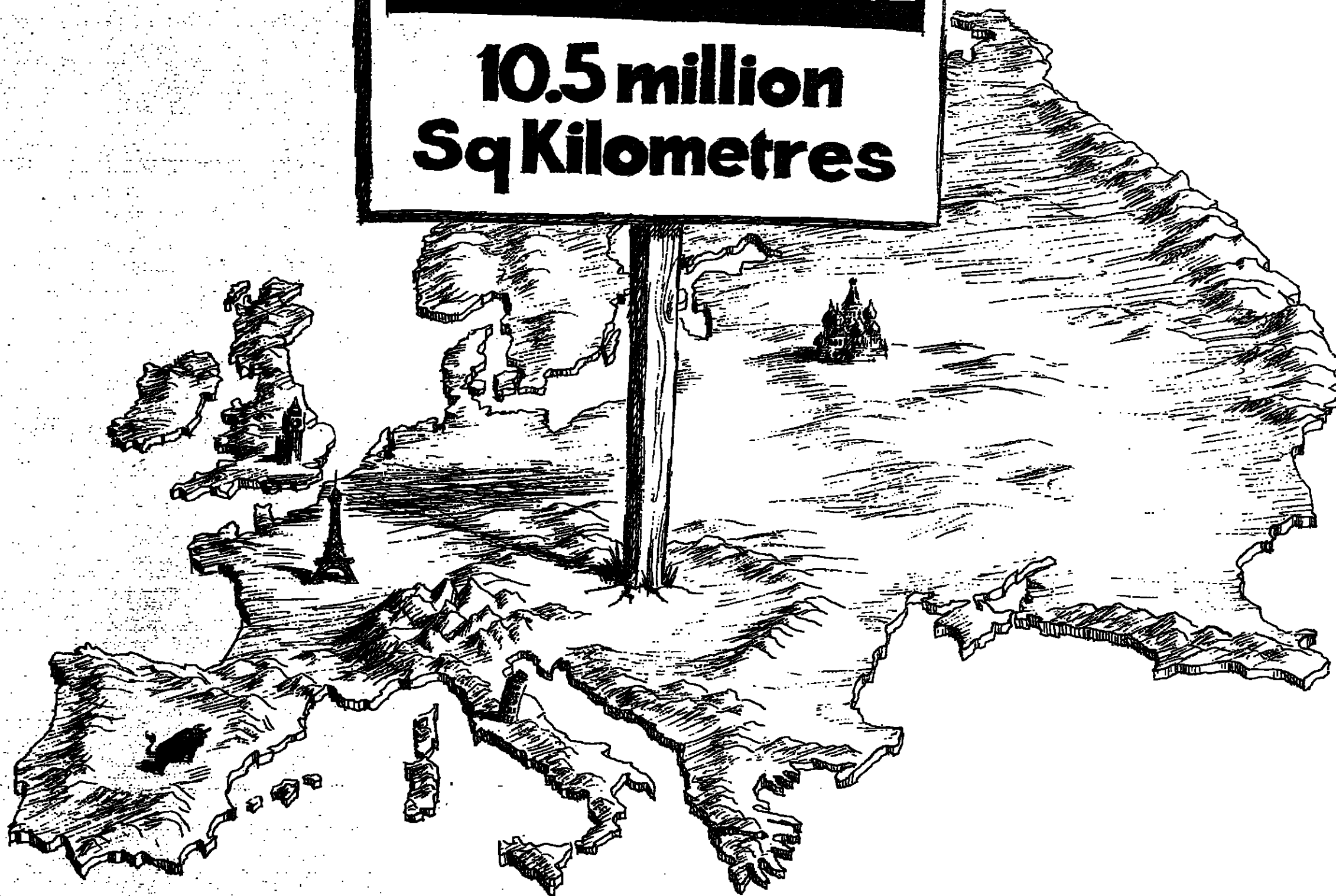
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Tenders are hereby invited from suppliers for the provision of factory spaces to be
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Tenders are invited from firms which are from regional or non-regional member
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Contracts would be let following international competitive bidding by The Guyana
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Corporation Limited, at the appropriate address below, against a non-refundable
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The tenderer shall furnish as part of his tender, a tender bond in favour of The
Chairman, Guyana Sugar Corporation Limited to the value of 5% of the CIF tender
price.

Tenders shall be in English, submitted in duplicate, and delivered in plain sealed
envelopes, which in no way identify the tenderer, to The Chairman of The Central Tender
Board Committee at the appropriate address below.
Tenders close at 14:00 hours local time on the 20th June, 1990. Tenderers or
representatives may be present at the opening of the tenders.

The Chairman
Central Tender Board Committee
Rehabilitation of Sugar Factories
Industrial Rehabilitation Loan Programme
c/o

The Ministry of Finance
Main & Uppan Streets
Georgetown
Guyana

Mr. E.O.S. Haseena
Finance Director
Guyana Sugar Corporation
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- 1) The above property will be placed for sale in fact and law in its
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- 2) The purchaser will take over the above proceedings and assume all
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- 3) Contract, lawyer and registration fees, consequential charges and
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- 4) The technical costs and IN.V.IM. (Property Value Increment Taxes)
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Interested persons may contact the Institute in writing to request the
necessary instructions for the preparation of a standard offer form, no
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This announcement does not constitute an offer to the public in
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meeting of the unsecured creditors of the
above-named company will be held at
CRUEL, HOUSE, 55 SHEEP ST, NORTHAMPTON,
NN1 2HF on 30 APRIL 1990 at 11.00 am for
the purpose of having laid before it a
copy of the report prepared by the adminis-
trative receiver under section 46 of the
said Act. The meeting may, if it thinks fit,
establish a committee to exercise the func-
tions conferred on creditors' committees by
or under the Act.
Creditors are only entitled to vote if:
(a) they have delivered to/at the
address above a statement, no later
than noon on 9 April 1990, written
details of the debt they claim has
been duly admitted under the provi-
sions of Rule 3.11 of the Insolvency
Rules 1986; and
(b) there has been lodged with/with
any creditor which the creditor intends to
be used on his or her behalf.
Please note that the original proxy signed by
or on behalf of the creditor must be lodged
at the address mentioned: photocopies
(including hand notes) are not acceptable.

Date: 21 March 1990
H.B. Godson
Administrative Receiver

COMPANY NOTICE

**THE HONGKONG AND
SHANGHAI
BANKING CORPORATION
LIMITED**

**PRIMARY CAPITAL UPDATED
FLOATING RATE NOTES**
Notice is hereby given to the holders of
these notes that copies of the Annual
Report and Accounts of the Bank for
the year ended 31 December 1989 are
available at the office of the Bank at 99
Boschopius, London, EC2.

April 6, 1990.

PUBLIC NOTICES

**CANADIAN NORTH ATLANTIC
WESTBOUND FREIGHT
CONFERENCE**

**CANADA - UNITED KINGDOM
FREIGHT CONFERENCE
NOTICE TO SHIPPERS
AND CONSIGNEES
BUNKER ADJUSTMENT FACTOR**

The Member Lines of the above Conference
operating services between the United King-
dom, Northern Ireland and the Republic of
Ireland and Canadian Maritime, St. Law-
rence River and Great Lakes Ports would
refer shippers and consignees to the press
announcement in February 1990 and would
advise that as a result of the Lines' latest
review of Bunker Costs the Bunker Adjust-
ment Factor will be reduced with effect from
1st May 1990 to the following levels:-

20 Foot Containers Can. Dis. 7.00
40 Foot Containers Can. Dis. 14.00
Service 3 1.00 Percent of Freight

The Bunker Adjustment Factor is exempt
from the Conference Currency Adjustment
Factor.

The Member Lines will continue to review
Bunker Costs and any further change in
amount of Bunker Adjustment Factor payable
will be announced when warranted.

Atlantic Container Line A.B.
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Canadian Atlantic Freight Secretariat Limited
Secretaries

Stener House
Kilnmead, Crawley,
West Sussex, BN11 2BG,
England.

April 1990

MMC INVITES EVIDENCE ON THE ACQUISITION BY BRITISH AIRWAYS PLC (BA) OF A 20 PER CENT SHARE IN SABENA WORLD AIRLINES (SWA)

The Monopolies and Mergers Commission has been asked to
investigate the acquisition by British Airways plc (BA) of a 20 per
cent stake in Sabena World Airlines (SWA). (The Secretary of State
has decided not to refer to the MMC the acquisition by
Koninklijke Luchtvaartmaatschappij (KLM) of a 20 per cent stake
in SWA).

The Commission will be studying the possible effects on
competition in the market for international air services to and
from the UK. In making his decision, the Secretary of State has
taken into account the fact that the European Commission is also
considering the arrangements under which BA and KLM have
each taken a 20 per cent stake in SWA. He considers that there
are specifically UK competition concerns that merit an MMC
investigation.

The Commission would like evidence in writing by 20th April
1990, to be sent to: The Reference Secretary (BA/SWA Inquiry),
Monopolies and Mergers Commission, New Court, 48 Carey
Street, London WC2A 2JT.

BUSINESS PARKS

The Financial Times proposes to publish this survey on:

11 May 1990

Copy Date: 30 April 1990.

For a full editorial synopsis and advertisement details, please
contact:

PETER SHIELDS on 01-873 3284

or write to him at:

Number One, Southwark Bridge, London SE1 9HL

Clive Cookson reports on the powerful Hubble Space Telescope, to be launched on Tuesday

Mighty explorer of the universe

The Space Shuttle Discovery is due to lift off from Cape Canaveral on Tuesday with the Hubble Space Telescope, the most expensive, and most delayed - payload ever launched by a shuttle.

Astronomers have been waiting impatiently since the original launch date in 1983 for the Hubble Space Telescope to be launched. It is a scientific revolution which some enthusiasts say will rival the one that followed Galileo's use of the first telescope 400 years ago.

Three hundred miles above the earth's obscuring atmosphere, the unmanned Space Telescope will "see" seven times deeper into the universe than has been possible with the most powerful terrestrial observatories. Because of the light takes to travel, looking further out into space means looking further back into the past.

The Space Telescope should be able to detect bright objects to the edges of the universe, perhaps as far away as 10 billion light years. The light from only a few hundred million years after the original Big Bang, when the first stars and galaxies were still forming. By studying the young universe, astronomers hope to gain a new understanding of its origins and evolution.

They will also use the telescope to investigate objects far closer to home. One of the most intriguing projects will be to search nearby stars for orbiting planets, which cannot be seen clearly from observatories on the earth because their light impressions are smeared by haze and refraction in the atmosphere. The number and type of planets found will give astronomers a better idea of the chances of life existing elsewhere in the universe.

Work on the Space Telescope began in 1977, after the European Space Agency (ESA) agreed to join NASA in the project. ESA has contributed 15 per cent of the \$2bn costs.

A series of financial and technical difficulties forced ESA to put back the launch date - originally set for October 1983 - five times. The Space Telescope was finally being prepared for a launch in October 1988 when the Challenger disaster threw the whole Shuttle programme into turmoil. The telescope had to sit a further three and a half years before NASA could allocate it a place on Discovery.

For many participants in the project, the long delay has been an unmitigated waste of

time. The most complex instrument on the telescope, the European Faint Object Camera, was completed in 1983 and has spent the subsequent six and a half years taking occasional test pictures. Although the camera was originally designed to have an operating life of five years, ESA scientists say that it has not deteriorated significantly during the delay.

But NASA and ESA have used the extra time to take advantage of technological progress and upgrade some parts of the Space Telescope, including the computing and communications systems.

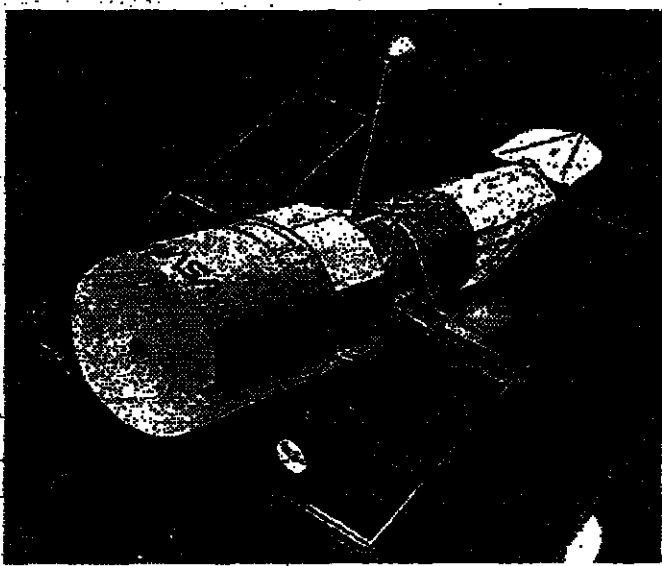
The two solar arrays, which unfold in space to convert sunlight into 4.5 kW of electric power for the telescope and its instruments, were returned from the US to their manufacturer, British Aerospace in Bristol, to be refitted with new high-performance solar cells in 1988. At the same time they were protected against possible corrosion in orbit by stray oxygen atoms escaping from the earth's atmosphere.

The telescope itself weighs 11 tonnes and is about the size of a single-decker bus. Light comes into the top of the telescope, is reflected by a 2.4 metre (84 inch) primary mirror on to a smaller secondary mirror and then into the instruments.

The main mirror, made by Perkin-Elmer in the US, is polished so smoothly that no bumps in the glass stick up more than 8 nanometres (billionths of a metre). That is equivalent to the area of North America having no hill more than three inches high.

The control system uses flywheels spinning at varying speeds to point the telescope accurately at the star or galaxy being studied. The guidance mechanism is so precise that it could distinguish the two sides of a human hair one mile away, or borrow another of the illustrations with which Space Telescope astronomers love to impress lay people.

There are five scientific



Instruments: two cameras, two spectrographs and a photometer. One is European and the other four American.

● The European Faint Object Camera uses a sophisticated television camera tube with an image intensifier to detect, count and record the location of individual photons (particles of light). By building up an image gradually over many hours, it could detect the light of a small candle at the distance of the moon.

● The Wide Field/Planetary Camera (WFPC) is broadly similar to the European Camera, with a wider field of view. It cannot study such faint objects but will give better general pictures. "The improvement in picture quality and resolution over the best ground-based images will be like taking off a pair of badly scratched sunglasses," says Bob Thomson of the Institute of Astronomy, Cambridge. "It is expected that WFPC images will adorn the covers of most astronomy journals for the next decade, and rightly so."

● The Faint Object Spectrograph and High Resolution Spectrograph will spread out the incident light according to

its wavelength. This spectroscopic analysis will give new information about the chemical evolution of the universe.

● The High Speed Photometer is an extremely sensitive light meter, recording changes in brightness from objects such as pulsars that vary rapidly with time.

Observation time on the telescope is heavily oversubscribed. The Space Telescope Science Institute in Baltimore, which is scheduling the various observations, has allocated 1,200 hours in the first year; astronomers had requested a total of 11,000 hours.

The institute, with a staff of 400, will welcome visiting astronomers from all over the world. Space Telescope data will be stored on optical disk there. But observers need not travel to Baltimore; they can choose to receive their data on magnetic tape at their home institutions. They will have a year to analyse and publish their observations before the institute makes them available to everyone else.

One of the largest groups of European observers is in Cambridge, home of the university's Institute of Astronomy and

the Royal Greenwich Observatory (recently relocated from Herstmonceux, Sussex). The objects they will be looking for include:

- Massive black holes at the centre of elliptical galaxies.
- The powerhouses at the core of active galaxies that are ejecting almost unimaginable amounts of energy in the form of vast jets of hot gas.
- Entirely new classes of object, by scanning random bits of the sky and using image analysis to detect unusual radiation patterns.

NASA expects to take two or three months after the launch to test and calibrate all the equipment, before the serious astronomy can begin. But it hopes to interrupt the calibration process after about a month to take a few pretty pictures of known objects for publicity purposes.

The Space Telescope has a planned lifetime of 15 years. "It is the first of a new breed of spacecraft designed for in-orbit maintenance to provide astronomers with a long lived and updatable observatory," says Robin Laurence, ESA project manager.

A NASA Shuttle will visit the telescope every five years to install new solar arrays in place of the original pair, which are bound to be damaged over time by radiation. Astronauts will replace the arrays and any instruments or components that require updating or repair, while the telescope is mounted on a maintenance platform inside the shuttle's payload bay.

The telescope is named after Edwin Hubble, the great American astronomer who would have celebrated his 100th birthday last November. He laid the foundations for modern cosmology by proving that other galaxies lie beyond our Milky Way and that the universe is expanding.

It is almost certainly over-optimistic to expect the Space Telescope to lead to a cosmological revolution of Galilean proportions. But there is a reasonable chance that its observations could inspire another Hubble.

Craig Mackay of Cambridge's Institute of Astronomy sees the project in aesthetic terms. "The Hubble Space Telescope will let us see for the first time the true beauty of the heavens, unaffected by the distortions produced in the atmosphere of the planet earth. The new data that it will produce on the objects we know of already will be tremendously exciting. We can only guess at what else we might find."

Sparks still flying over cold fusion

Clive Cookson updates the Fleischmann-Pons controversy one year after their announcement

Last Easter, in the confused aftermath of the astonishing announcement by Martin Fleischmann and Stanley Pons that they had achieved cold nuclear fusion, one thing seemed clear: their test-tube fusion experiment at the University of Utah was so straightforward that the hundreds of other laboratories around the world trying to replicate it were bound to establish whether the claim was valid within a few months.

A year later, the "truth" about cold fusion remains elusive.

Early suggestions that the process could be developed quickly into a cheap, clean and unlimited energy source for the next century have proved to be very over-optimistic. But there is a widespread impression, particularly in the UK, that the whole affair was a ghastly scientific mistake and that only Fleischmann, Pons and a small band of true believers are still pursuing cold fusion. "That's definitely a wrong impression," says David Worledge of the Electric Power Research Institute (EPRI) in California.

Twenty-five reputable research groups have so far reported positive evidence for at least one of the three signs of nuclear fusion - output of heat, tritium or neutrons - according to a tally by scientists at Los Alamos National Laboratory in New Mexico. Some of them presented their results to the first annual conference on cold fusion in Salt Lake City last weekend.

"On balance, the results were a massive confirmation of the generation of excess heat - and a confirmation that neutrons are generated at low rates," Fleischmann says. Worledge, an "open-minded" participant at the conference, was "impressed by the evident quality of a good fraction of the experimental work and the amount of care that is now being taken, in contrast to the hasty work done last year." For example, researchers at

Los Alamos found, as they refined their neutron-counting apparatus and the background level of neutrons decreased, that the positive signals from neutron "bursts" held up.

EPRI, the co-operative research body of the US electricity supply industry, is giving \$1m-\$2m in new grants for cold fusion research this year. The US Department of Energy is expected to spend a similar amount, even though an expert panel recently advised against any "special funding" of cold fusion research by federal government.

Some scientists who have been consistently sceptical about cold fusion, such as Richard Petrasso of the Massachusetts Institute of Technology (MIT), went to the Utah meeting and came away still sceptical, though saying that there were some unexplained events taking place in Fleischmann-Pons experiments which deserved further investigation. "I'm still waiting for convincing unequivocal evidence of nuclear products associated with heat," Petrasso said.

Scientists who have already dismissed cold fusion as a complete delusion did not bother to come to the conference. They will have seen a negative paper in the science journal Nature by a team of physicists at the University of Utah, who monitored cold fusion cells in Pons's chemistry laboratory for five weeks and found no trace of neutrons being given off. (Fleischmann, Pons and their supporters are particularly angry about what they see as the consistently hostile attitude of Nature, whose editorial last week was headed "Farewell [not fond] to cold fusion".)

The central issue now facing supporters of cold fusion is why the process seems so capricious. Some scientists who have detected signs of fusion say that their experiments run for days or even weeks without any results, and then suddenly give off bursts of neutrons and/or tritium and/or heat. Not only is

the timing of this activity completely unpredictable but there is no clear correlation between the three signs of fusion.

The non-reproducibility of the evidence enables the sceptics to dismiss occasional positive results as uncontrolled background effects or random variations in a difficult experiment done repeatedly. The apparatus is not as simple as most people assumed when Fleischmann and Pons first announced their experiments; sophisticated instruments are required to measure the signs of activity.

For the believers, non-reproducibility is a challenge but not an insuperable obstacle. Bob Huggins, a materials scientist at Stanford University who has measured excess heat output from cold fusion cells, pointed out at the Utah conference that the pioneers of semiconductor research found it difficult to reproduce their results until they understood the subtle effects of impurities in their materials.

According to the conventional theories of physics, nuclear fusion is impossible in a Fleischmann-Pons cell, in which electric current passes through palladium metal immersed in a tube of heavy water. Deuterons (nuclei of heavy hydrogen) could not be squeezed together tightly enough to react with one another; an extremely high temperature or immense pressure is required for fusion.

But some distinguished theoretical physicists, including Julian Schwinger of the University of California, Los Angeles, and Peter Hagenstein of MIT, came to the Utah conference. They are working out novel theories to show how cold fusion could occur in the palladium lattice.

Scientists from Japan, India and Italy were there too, reporting positive results. Hideo Ikegami, who is heading Japan's cold fusion programme, said that 40 Japanese groups were working on government-funded cold fusion research.

Before we saw
a customer
in every individual.

Now we see
an individual
in every customer.

Businessman is a businessman is a businessman is a businessman.

That, in a nutshell, is how we viewed our customers in the 80s.

Now the age of the stereotype has come to an end.

Emerging is a far less predictable indi-

vidual. One whose needs vary just as much, whether he or she happens to be in business or not.

Enough of philosophy, here's the beef.

Together with a few enlightened partners, we're now busy building a network of airlines, hotels, and other services that will

embrace the world.

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The whole point is we'll let you decide what you need, and when you need it.

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ISAS
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Scandinavian Airlines

MANAGEMENT

Global custody

Midland rebuilds a reputation

Andrew Freeman describes the UK bank's strategy to win back customers to a specialist operation

When three out of five department heads suddenly acquire the word client in their titles, it is a sure sign that a company is trying to change its image. That is precisely what happened recently at Midland Bank, where senior managers have attempted a turnaround in one of the bank's least noticed businesses.

Eighteen months ago Midland Bank's global custody business had the reputation among clients and competitors of being badly run and was in danger of losing money. Global custody is a specialist banking service which involves settling securities transactions undertaken by the bank's clients, safe keeping of client assets and reporting back to them on the performance of their investment portfolios on a worldwide basis. The business is heavily dependent on electronic systems.

Custody, far from being treated as a single business unit within Midland, was spread over at least five branches of the bank's operations. A complicated corporate history had led to diverse operating procedures and 11 different computer systems.

The scale of the problem was such that the bank found it impossible accurately to establish the amount of assets it held in custody. Senior managers realised they had a problem when Midland's reputation in the custody market went into steep decline during 1987 and 1988, a period during which US banks were making a strong push for such business in the UK. Although none of the domestic clearing banks had strong reputations for quality of service in custody, Midland could not shake off the charge from rivals that it was particularly poor.

Existing clients were voicing their unhappiness, while the bank was finding it impossible to win new business against the increasingly US-dominated competition. Other UK clearing banks were running into similar problems.

Midland decided that a radical change was needed in the custody business area. One manager who had experience of the way US banks like Chase Manhattan and State Street ran their custody departments suggested that a senior US banker be hired to tackle the challenge.

After a frustratingly long search, Kerry Alberti was brought in in mid-1988 from the London branch of the US Bankers Trust group to head a new securities services division.

He found a business in great need of attention. "The product simply wasn't competitive. While we were evenly matched on pricing, we didn't have the breadth of product of our rivals, and we weren't offering clients the services they really wanted," he says.

Alberti talked directly to the clients and found a common set of complaints. They all felt Midland did not put sufficient emphasis on customer service. Inquiries about partic-

ular transactions, for example, whether settlement of a deal was likely to fail, were not dealt with speedily.

"It was mainly a problem of attitude," says Alberti. "The staff had an inferiority complex. They thought of themselves as mere back-office operatives."

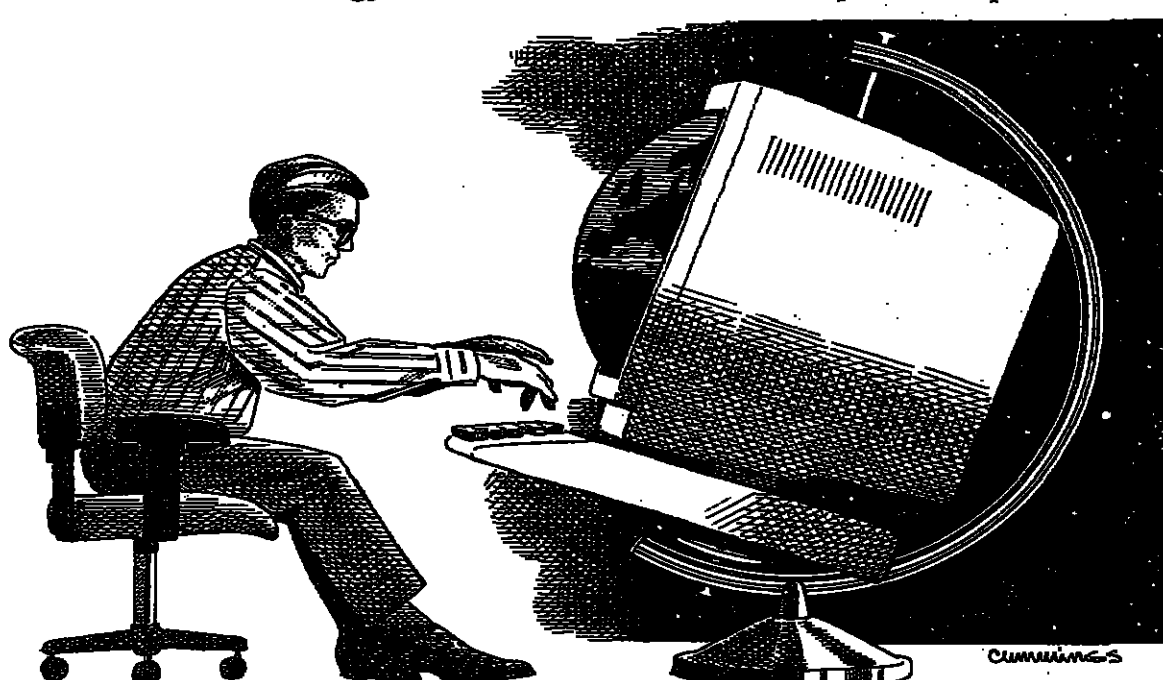
Alberti's immediate priorities were to enforce an awareness of profit and loss among the staff and to recruit further senior personnel with expertise in global custody. Within a few months, a new group of managers had been hired from competitors in London and was addressing the problems identified by Alberti.

Richard Warner was hired from Chase Manhattan in London where he had worked for 18 years. His brief as head of client services and custody for foreign securities was to expand Midland's product line and in particular to bring in contractual settlement date accounting (CSDA), a method of settlement by which customers are paid or debited for their transactions according to an agreed timetable, facilitating management of cash positions. This was to replace a system whereby clients had to wait for their cash until transactions had actually been settled.

"I found some things that dismayed me and others that pleased me. There was a lack of customer focus and realisation about how much global custody as a product was changing. But the existing staff were very good technically. Their knowledge had been applied to ensure an internally slick operation, rather than to give customers what they really wanted."

To address the cultural problem of the low status felt by the custody staff Midland initiated a series of training programmes emphasising the importance of customer services. Staff were reminded and are still reminded that customers are paying their salaries. They were encouraged to engage in more dialogue with clients to find out what was needed and to build a greater rapport with people who had previously been voices at the end of a telephone between 9 am and 5 pm.

One major client, the Henderson group of unit trusts with £900m of assets under custody with Midland, noticed a definite change. Harriet Younger, finance and administration director, says she was impressed by the bank's willingness to listen to Henderson's requirements. "We gave them an 11-point wish list at the start of 1989, and were very pleased



by the response."

Younger says Midland had been in imminent danger of losing the account, but that the combination of new management and quick reactions to requests demonstrated an improved attitude that helped the bank to keep the business. In particular, she cites Midland's agreement to a request for the introduction of client liaison officers as evidence of the change.

Other clients are more circumspect; this suggests that they were persuaded more by Midland's apparent commitment to the custody business than by any immediately noticeable pick-up in service levels.

Nevertheless, six months after the new management began its programme, CSDA had been introduced, as well as a system to allow the contractual payment of dividend income on equity holdings, bringing Midland up to, and in some cases beyond, the capabilities of its competitors. The bank says it began to receive encouraging reports from its main customers.

One significant weakness identified by Warner was Midland's network of sub-custodian banks, a vital element of any global custody operation. Sub-custodians act as agents for the global custodian in local markets.

"The network had grown up in a haphazard fashion out of Midland's historic correspondent banking links," he says. This refers to international links where banks offer each other reciprocal services in their home markets. In roughly 35 countries, Midland had more than 120 sub-custodians, an average of over 3 banks per market. This had led to the custody operation becoming inherently inefficient, unable to benefit from strong relations with an individual bank in a particular market.

Midland embarked on a rationalisation of its sub-custodian network. It created a team of six specialists which visited existing sub-custodians in order to review the quality and cost of service provided in each market. The results were decisive. In the French market for example, Midland fired all five of its sub-custodians and replaced them with a single new partner. So far, the bank has cut out over half its sub-custodians, and still has several markets to review.

During the same period a drive to integrate the bank's computer systems was also under way. It was vital that Midland introduced greater efficiency, both to save money, and more important to allow it to achieve the flexibility demanded by clients.

As Alberti says: "At the tactical

level we worked to improve existing systems by reducing 11 different systems down to two. Strategically, the aim was to replace all the old systems with a single global custody and master custody system called Pioneer."

The first client began using Pioneer in January and Midland is aiming to have all its clients on the system by the middle of this year. In developing Pioneer, the bank faced one of its hardest decisions: whether to buy an existing system, or build its own product from scratch.

After an extensive search, Midland found that Vista Concepts in the US had just modified a system for use in the UK by Bank of New York and it decided to buy a customised version of this off-shore product. The version required further tinkering to suit Midland's requirements, but it was significantly cheaper than the in-house alternative.

Alberti will not say exactly how much Midland has spent on systems, but accepts that a figure of around £2m spread over 2½ years is not too inaccurate. "Customers used to view our systems as a weakness. Now they are a strength," he says.

One immediate benefit of the reorganisation was that Midland could accurately assess its total assets under custody. It currently has

\$65bn, of which \$42bn is for UK domestic clients. Of the \$23bn of so-called international assets, \$15bn are international assets, while \$8bn consists of UK assets held for non-UK clients. This knowledge gave the bank a clearer idea of its strengths and weaknesses.

One area where Midland was proving particularly vulnerable was in the UK market, where 90 per cent of its business was for unit trusts where the bank had a trustee role involving fiduciary responsibilities in addition to custody. US banks, notably Chase Manhattan and Citibank, had been making a successful attack on the dominance of this sector by UK clearing banks, and there had been some high-profile defections by large unit trust groups.

The US competitors marketed a more comprehensive product package and were competing aggressively on price. Early on in its recovery, Midland itself lost two large unit trust clients, Fidelity and Allied Dunbar, both of which felt the bank had not made enough progress in competing with US banks.

Given the way unit trust business was melting away from other UK clearing banks like Royal Bank of Scotland and Lloyds Bank, Midland was lucky not to suffer worse losses. However, at the time, the wider impression that the bank's operations were in trouble was strengthened.

The internal changes were an essential precursor to an attempt to try to rebuild Midland's securities services business.

Midland decided to play to its strengths, and use its existing market share to consolidate its unit trust business and seek new clients. At the same time, it decided to compete aggressively in the market to provide global custody for UK pension funds.

One of the main obstacles Midland had to overcome was the damaging perception held by the market that it had been in trouble. Following steps taken by Chase Manhattan and Manufacturers Hanover during similar times of trouble, Midland stopped marketing its services when the scale of its problems became clear.

It withdrew from advertising and concentrated on its existing clients. Managers argued that it would have been more damaging to take on new business than to allow Midland's profile to evaporate while problems were sorted out.

David Miller, hired from the US bank State Street to be head of client relations, admits that 18 months ago Midland would not have been recommended by its own clients on the strength of its securities services.

However, he argues that the bank is beginning to win new business from existing clients which use more than one custodian. "We aim to be the most recommended provider in the custody business, and we think we are starting to achieve that," says Miller.

Business courses

Manufacturing resource planning. September 17-18. Stratford-upon-Avon. Fee: £385 + VAT. Enquiries from: Mike Salmon, Manufacturing Resource Planning, 16 Box Lane, Boxmoor, Hemel Hempstead, Herts. Tel: 0442-43024/86433. Fax: 0442-217408.

Service excellence - the unbeatable competitive edge. April 26-27. London. Fee: £245 + VAT. Enquiries from: Monadnock International, 2 The Chapel, Royal Victoria Patriotic Building, Fitzhugh Grove, London SW16 3SX. Tel: 01-871-2546. Fax: 01-871-3886.

New ventures and business valuation. April 20. London. Fee: £165 + VAT (members); £240 + VAT (non-members). Enquiries from: The Strategic Planning Society, 17 Portland Place, London W1N 3AF. Tel: 01-636-7737. Fax: 01-636-1892.

Structuring and financing acquisitions in Britain and Europe. April 23/24. London. Fee: £495 + VAT. Enquiries from: Conference Organiser, Business Research International, IBC House, Canada Road, Byfleet, Surrey KT14 7JL. Tel: 01-837-4883. Fax: 01-631-3214.

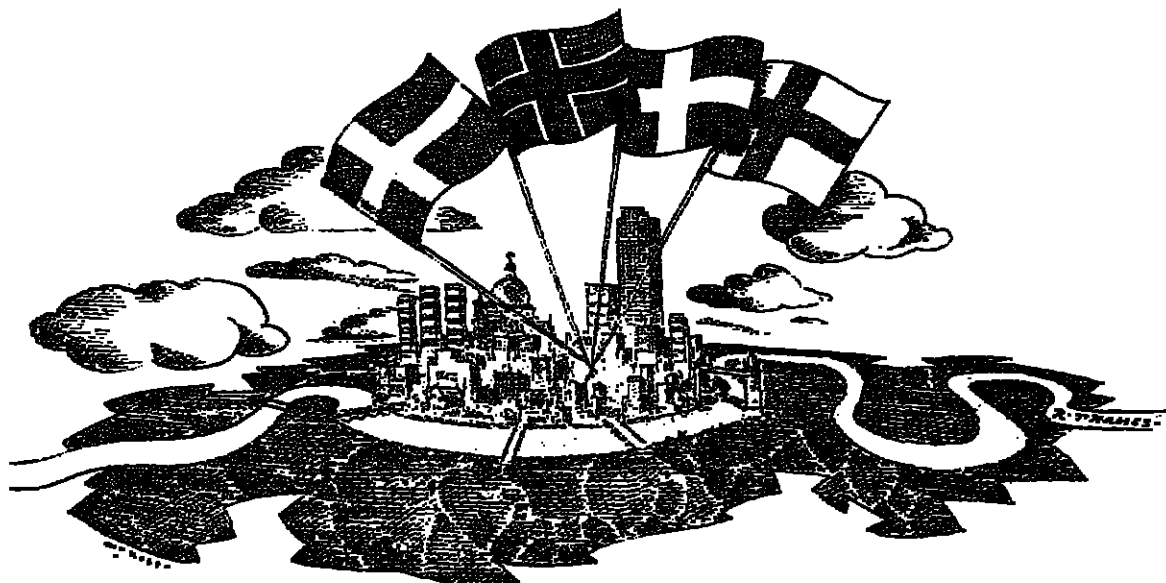
Developing the client oriented organisation. April 26-27. Alasca. Fee: DM 2400 or FF 8400. Enquiries from: The European Centre for Entrepreneurship, 3 Quai de la Seine, F 69000 Colmar. Tel: (0333) 89 23 43. Fax: (0333) 89 23 30 31.

Relevance regained - a day with Robert Kaplan. May 3. London or May 4. Birmingham. Fee: £373.75 inc VAT. Enquiries from: ICM, 50 Occam Road, Surrey Research Park, Guildford, Surrey GU2 5YS. Tel: 0483-37107.

Achieving maximum value from sponsored events. May 23 & 24. London. Fee: £226.75 inc VAT. Enquiries from: IIR, 44 Conduit Street, London W1R 9FB. Tel: 01-434 1017. Fax: 01-437-3322.

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ANNOUNCEMENT

THE MINISTRY OF PETROLEUM AND MINERAL RESOURCES, THE DIRECTORATE GENERAL OF MINERAL RESOURCES (DGMR), JEDDAH, KINGDOM OF SAUDI ARABIA

The Directorate General of Mineral Resources (DGMR), the Ministry of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia at Jeddah invites specialized companies to bid for an exploration licence to carry on further investigations on Magnesite in the Zarghat area, 180 km southwest of Hail city and on the road of Hail/AI-Madinah al-Munawwarah. The licence shall be granted in accordance with the Saudi Arabian Mining Code and for a maximum period of four (4) years.

DGMR has already undertaken exploration work in the area; the preliminary results of which have identified reserves exceeding 4m tons containing 80-98% MgO. Local or foreign companies who wish to compete for the licence are requested to submit their applications within the period from 7/4/1990 to 22/5/1990. Applications shall be addressed as follows:-

Deputy Minister for Mineral Resources
PO Box 345
Jeddah-21191
Saudi Arabia

Applications shall be made on the special forms prepared by DGMR and must include the prescribed fees of 1,000 (One thousand) Saudi Riyals. Applications must also be accompanied by a technical report as prescribed by the Mining Code.

Selection of the successful applicant shall be made in accordance with the provisions of the Saudi Arabian Mining Code, the applicable financial rules and regulations of the Kingdom of Saudi Arabia, the public policy considerations deemed appropriate by the (DGMR) and the financial and technical ability of the applicant. The (DGMR) shall not be obliged or bound to accept any offer.

DGMR also reserves the right to ask the successful applicant to make and advance cash payment as a precondition for the initial grant of the exploration licence. The Ministry (DGMR) will be prepared to provide applicants with any relevant information that may be needed.

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LEGAL NOTICE

BROMPTON HOLDINGS PLC

Notice is hereby given that the Order of the Court of Session dated 20th March 1990 confirming the constitution of that portion of the Share Premium Account of Brompton Holdings plc, a Company incorporated under the Companies Act and having its Registered Office at Silverburn Place, Bridge of Don, Aberdeen, AB2 8EG, as is stated in the Company's use of the Special Reserve created by the dividend consultation of its Share Premium Account, were registered by the Registrar of Companies on 2nd April 1990.

A.C. Bennett & Robertson WS
Writers to the Signet

16 Walker Street,
Edinburgh EH6 7JN
Solicitors for Brompton Holdings plc

BRAZIL

The Financial Times proposes to publish this survey on:

27th June 1990

For a full editorial synopsis and advertisement details, please contact:

Nigel Rickard
on 01-873 3000

or write to him at:

Number One
Southwark Bridge
London
SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

FT LAW REPORTS

Negligent surveyor must pay losses

SWINGCASTLE LTD v GIBSON
Court of Appeal (Lord Justice Neill, Lord Justice Farquharson and Sir John Megaw)
March 16 1990

A SURVEYOR who negligently values a house for mortgage purposes so that its forced sale value is less than the amount lent, is liable in damages for the mortgagee's entire loss, including unpaid interest at the default rate stipulated in the mortgage agreement.

The Court of Appeal so held when dismissing an appeal by the defendant, Mr. Alastair Gibson, a chartered surveyor, from an order of Judge Harris QC in the Westminster County Court entering judgment for the plaintiff, Swingcastle Ltd, for £7,136.

LORD JUSTICE NEILL said that in 1985 Mr and Mrs Clark lived at 36 North Road, Antenshaw, Manchester. The property was charged to a building society and a finance company. Mr and Mrs Clark wished to obtain a loan to repay the charges. They approached brokers who instructed Mr Gibson to make a survey and prepare a valuation.

He gave a written valuation, addressed to the brokers' "lending principals," stating that the forced sale value was £18,000. On February 11 1985, Swingcastle, a finance company, lent Mr and Mrs Clark £10,000 secured on the property. The loan was used to pay off the charges and pay the brokers' £2,000 fee.

Under the agreement between Mr and Mrs Clark and Swingcastle, repayment was to be over 10 years at 36.52 per cent interest. In the event of default the rate would be increased to 45.619 per cent. Mr and Mrs Clark fell into arrears almost at once. They failed to pay the instalment due on April 11 1985. Interest then became payable at the higher rate of 45.619 per cent.

Swingcastle issued possession proceedings and obtained a suspended possession order. Mr and Mrs Clark gave up possession in June 1986. Swingcastle sold the property for £12,000.

At date of sale, sums due from Mr and Mrs Clark to Swingcastle for unpaid principal and interest, disbursements, commission and costs, less the £12,000 sale price, totalled

£7,136. Mr Gibson's valuation was made negligently. Had Swingcastle known the property would only realise £12,000 it would not have made the loan.

On September 4 1987 Swingcastle issued a writ against Mr Gibson. Judge Harris gave judgment for £7,136, representing the sum due from Mr and Mrs Clark to Swingcastle on date of sale. Mr Gibson appealed. The question was as to the correct measure of damages where money had been lent in reliance on the negligent valuation of property.

In *Baxter v Gopp* [1929] 2 KB 277, estate agents valued a property at £1,800 for mortgage purposes. The defendants advised an advance of £1,200 on first mortgage and £150 on second mortgage. The mortgagee defaulted.

The mortgagee took possession and sold the property for £850. He claimed damages against the estate agents. Lord Justice Goddard, sitting as an additional judge, decided liability in favour of the mortgagee. He concluded the mortgagee was entitled to recover the whole loss suffered as a result of entering into the transaction.

He was therefore entitled to recover not only the expense which he had incurred following repossession, namely expenses of abortive sales, insurance premiums, upkeep, and expenses and disbursements, but also the principal sum advanced to the mortgagee and interest not paid under the mortgage since the last payment.

The defendants appealed. The Court of Appeal rejected their argument that the damages should be limited to the difference between valuation figure and the true value of the property at time of valuation. It approved Lord Justice Goddard's method of assessment. Lord Justice MacKinnon said "the measure of damages in such a case as the present is that which the plaintiff has lost by being led into a disastrous investment."

The point in the present appeal was whether Swingcastle was entitled to recover interest at the default rate stipulated in the mortgage or whether it was restricted to the ordinary commercial rate of interest. It was argued for Mr Gibson that:

● It was wrong to allow Swingcastle to recover interest at the mortgage rate because to do so had the same effect as if Mr Gibson had warranted performance of the mortgage obligations;

● The true measure of damages was the net loss suffered and expenses incurred as a result of making the loan, less sums recovered from the borrowers or proceeds of sale;

● If Swingcastle was to recover an additional sum to represent loss of use of money for lending elsewhere, it would have been necessary for it to prove the money would have been lent to another borrower — there was no evidence to support that loss;

● *Baxter v Gopp* was of no assistance on the question of proper interest rate because the question was never argued before Lord Justice Goddard and was not considered in the Court of Appeal.

There was force in those criticisms. Nevertheless, the present court was bound by *Baxter v Gopp*. In the Court of Appeal, detailed argument was directed to measure of damages and, even if no reference was made to interest rate, it was impossible to exclude one element of the award from the general approval given to the judge's method of assessment.

The present appeal would be dismissed on the ground that the court was bound by authority and that Judge Harris was right to assess damages in the way that he did.

If the matter was free from authority and one applied the principle that damages should put the injured party in the same position as he would have been in had he not sustained the injury, it was necessary to distinguish between two types of negligent mortgage valuation case.

The first was where the evidence might establish that, had a proper valuation been made, the loan would have been smaller. There the measure of damages would be the difference between the sum lent and the sum which would have been lent on a proper valuation.

In the second type of case, the evidence might establish that had a proper valuation been made, the lenders would not have made the loan at all to those particular borrowers. That was the position in *Baxter v Gopp* and the present case. In such a case the *prima facie* measure of damages would be the same as in the first type of case.

But if the claim was for damages for negligence and the actual loss suffered exceeded the *prima facie* measure, there was no reason why, subject to proof, the lender should not recover the actual loss suffered as a result of making the loan. Recovery on that basis seemed to accord with general rules relating to measure of damages in tort.

On that basis the lender would be awarded (a) the amount advanced less the aggregate of any sum recovered from the borrower and on realisation of the security; and (b) any expenses incurred in realising the security or maintaining its value until disposal.

As to whether in the second type of case the lender could recover any sum for loss of use of the money, a number of approaches were possible:

1. The lender could be awarded unpaid interest owed when the security was realised — that was to treat the value as guarantor of the loan contract and should be rejected;
2. He could be awarded a sum equivalent to the amount he would have earned in interest on another loan — such an award should not be made in the absence of evidence that the money lent would have been used for another transaction;
3. He could be awarded a sum equivalent to interest which would have been earned if the money had been placed on deposit;
4. He could be awarded a sum to represent loss of opportunity to invest elsewhere.

No concluded view was expressed about those methods of assessment. None of the last three methods would necessarily be right to suit all cases. It would depend on the evidence. In the present case, the court was bound by the decision in *Baxter v Gopp*.

The appeal was dismissed. Lord Justice Farquharson and Sir John Megaw gave concurring judgments. For *Swingcastle*: Peter Wulwick (Brent, Montague) For Mr Gibson: Roger Toulson QC and Roger Stewart (Raynolds Porter Chamberlain)

Rachel Davies
Barrister

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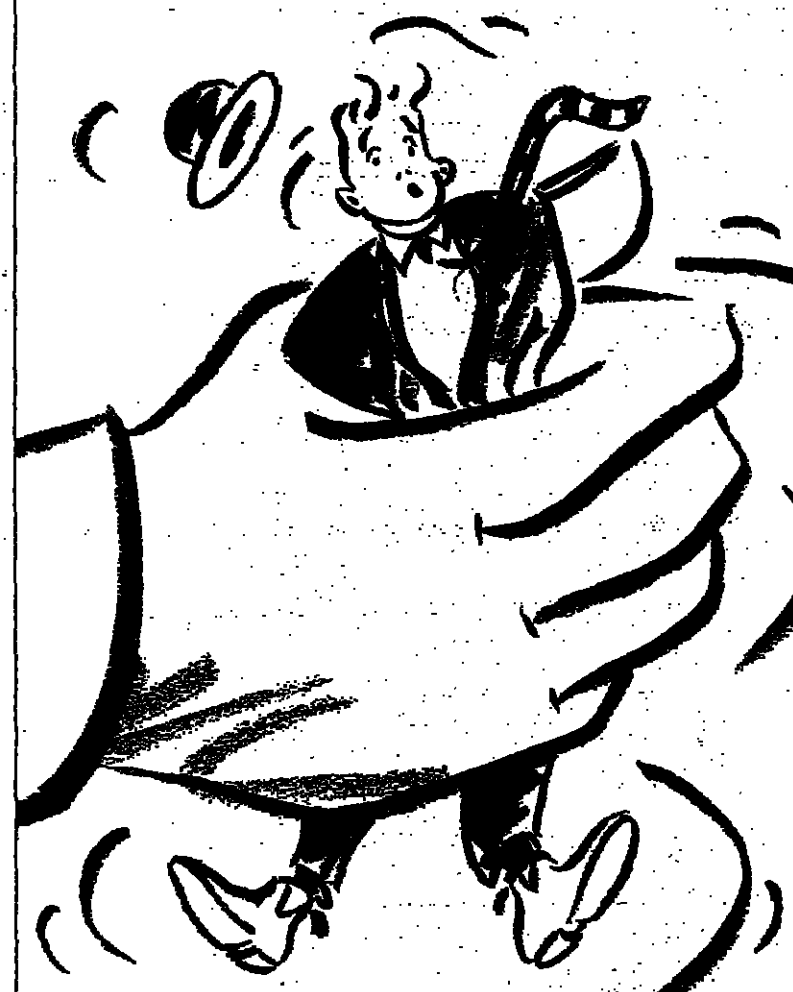
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ARTS

EXHIBITIONS

London

The Tate Gallery. The entire permanent collection has been rehoused so that the visitor may now take a natural circuit through the newly restored galleries, from 16th century British painting through to the most recent of modern international art. It is a curatorial triumph. **The Barbican, Scottish Art Since 1900** — a brisk and effective celebration of what has always been a most vigorous and distinctive national school, yet one which has for far too long been not so much under-rated as under-looked in the southern Kingdom. There are still gaps and over-rapid transitions, but the show nevertheless makes its point very well. Daily until April 18; sponsored by Fleming.

Paris

Grand Palais. Soliman Le Magnifique. A treasure trove of goldsmiths' work, miniatures, ceramics and textiles recalls the splendour of the reign of Soliman "the shadow of God on earth", whose Ottoman Empire stretched in the 16th century from the Caucasus to the gates of Vienna and from Algeria to the Persian Gulf. Deep blue, red and green, patterned with gold shames from a portrait of Soliman. Arabesque wind and unwind in manuscripts, flower motifs combine with peacocks and dragons on blue, white and turquoise plates and dishes. Closed Tue, Wed late closing, ends May 14 (4298410).

Museo d'Orsay. The Fragmented Body. Parts of the human body, or the incomplete body form the leading strand of an exhibition beginning with ex-votos and reliques and culminating in a celebration of Degas, Bourdelle, Maillol and especially of Rodin with his mastery transition from realistic to abstract sculpture. Ends June 3, closed Mon, entrance Quai Anatole France (40494814).

Centre Georges Pompidou. Pavel Nikolaevich Filonov. A solitary figure of the Russian avant-garde, he refutes cubism and futurism as contrary to nature's — and art's — organic development. Every atom of the surface of the 50 paintings and 150 drawings is given intense attention and basis in the light of idyllic harmony in cruel contrast to his own destiny. Closed Tue, ends April 30 (4271233).

Musee d'Art Moderne de la Ville de Paris. Kees Van Dongen. 132 works retrace the career of the painter who, as one of the Fauves enjoys provoking the public with daring juxtapositions of violent colours, charcoal contours and green shades. The Dutch-born artist goes further and shocks with erotic subjects and poses, only to subside later into portraiture of the elegant and famous. 11, Ave President Wilson, Closed Mon, late closing Wed, ends June 17 (47236127).

Brussels

Musees Royaux d'Art et d'Histoire. The Enigma of the Easter Islands is partially deciphered in this exhibition of photographs and artifacts. Closed Monday ends April 22.

Musee d'Art Moderne. Retrospective of the Belgian abstract/expressionist artist Engelbert Van Anderlecht (1916-1961). Closed Monday, ends May 13.

Venice

Palazzo Grassi. Andy Warhol Retrospective. 260 works from the major exhibition organised by Kynaston MacMahon for the MOMA in New York last spring, to which have been added about a dozen from private Italian collections.

Museo Correr. Jacopo Palma il Giovane (1548-1628). On show for the first time is one of the two albums of Palma's drawings owned by the 18th century collector Anton Maria Zanetti (the other is in the British Museum) recently acquired by the museum, together with a selection of paintings, mainly of biblical and mythological subjects. Ends April 23.

Rome

Villa Medici. Self portraits from the Uffizi — from Andrea del Sarto to Chagall. Thirty works from the collection started by Cardinal Leopoldo de Medici in the 17th century, marking changes in style and taste over 300 years. Particularly interesting is the series of self-portraits painted by Ingres in 1828. Until April 15.

Basilio di Carlo Magno in Piazza San Pietro. Michelangelo and the Sistine Chapel. This exhibition marks the end of a 10-year stint by Vatican restorers on the ceiling of the Sistine Chapel and the beginning of an estimated further four years' work on The Last Judgment. Remarkable for the exceptionally generous opening hours (open every day except Wed and on Sat from 9.30am to 11.00pm) and hand-some catalogue as well as a rich collection of drawings by Raphael, Rubens, Annibale Carracci, showing clearly Michelangelo's powerful influence, the exhibition also carefully documents the techniques used and the difficulties encountered by the restorer. Particularly interesting is the 1641 copy of The Last Judgment, by Marcello Venusti, lent by the Capodimonte Museum in Naples.

Fundacion Caja de Pensiones. Conceptual art: a perspective. Overall view of this relatively unknown movement which is nevertheless continually flourishing contemporary art production. Works range from mid-60s to early 70s. Ends April 23.

Madrid

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Barcelona

Museo Picasso. Cubist works belonging to the National Gallery of Prague — Kramer Collection. The show includes 17 paintings by Picasso together with an important selection of works by Czech and French artists. Ends April 23.

Berlin

Staatliche Kunsthalle. Budapest Strasse 42: Lasar Segal (1881-1957) around 350 paintings, drawings, sculptures and graphics of the Russian painter, born in Wilna, are to be exhibited until April 20.

Mainz

Landesmuseum. Marc Chagall (1894-1985), who died in 1985 was one of the most popular artists of the 20th century. Around 100 of his works, not shown in public before, are to be only seen in Mainz until April 22. The gouaches, water-colours, pastels and paintings present themes of the old testament.

Saarbrücken

Moderne Galerie. Growing on the Move. Retrospective of Paul Klee (1879-1940) in honour of the 50th anniversary of his death with around 190 oil paintings, water-colours and drawings from all periods, to be seen until May 27. This is one of the most comprehensive Klee exhibitions ever.

Vienna

Kunstforum. Works by the Romantics, ranging from Caspar David Friedrich to Adolph Menzel.

Museum für Völkerkunde. has a marvellously exotic exhibition called Jemen, focusing on the world around the Queen of Sheba. Ends June 10.

New York

New York Public Library. More than 125 documents of the Abolitionist Movement, including photographs, letters and rare books, display the spirit and drive of the long effort to free the slaves. Ends Sept 18.

Jan Krugier Gallery. Graphics from the Marina Picasso Collection are on display under the title Picasso's Women, until April 26, 41 E. 57th (755 7289).

Centre for International Contemporary Arts. Large-scale works in pastel and compressed charcoal by 31-year-old British artist David Oliphant, is the first of a series of four shows of young British artists slated for this new, well-received arts institution. Ends April 21.

Museum of Modern Art. In its serious, thorough way the museum gives its version of the history of photography, showing off earlier image-developing techniques along with 275 photographs. Ends May 28.

Washington. National Gallery. A joint Soviet-American collaboration brings together Katsisa's fruitful and arguably pivotal work in Morocco during his visit in 1912-13 including 23 paintings and 46 drawings, among them the famous Moroccan Triptych from the Pushkin Museum, never before exhibited in America. Ends June 3.

National Museum of Women in the Arts. The first major retrospective of the work of Dame Elizabeth Frink includes 60 sculptures and 25 drawings, including monumental bronze casts of male figures, portraits and animals in characteristic roughly textured heroic poses. Ends July 4.

Chicago Historical Society. The Land of Lincoln does its most famous citizen proud in the exhibition A House Divided. America in the Age of Lincoln, with documents, memorabilia and personal effects of the Great Emancipator. Chicago Historical Society. A special exhibit of Frank Lloyd Wright's designs for art-glass windows, furniture and silver shows why the details completed the Wright look. Ends June 17.

Tokyo. Tokyo National Museum. National Treasures of Japan. Painting, sculpture, calligraphy, craftwork, archaeological artifacts, from prehistoric times to the Edo Period. This is the first opportunity in 30 years to see as many as 200 of Japan's greatest works of art in one place. Opens April 10.

National Museum of Western Art. Bruegel and Dutch Landscapes. 50 paintings on loan from the National Gallery in Prague. The centrepiece is Pieter Bruegel the Elder's magnificent Haymaking, with its wealth of circumstantial detail, and the focus is on the development of landscape painting as a genre from its beginnings in about 1500 to the mid-17th century. Closed Mondays.

Museum of the Dragon: Tradition and Transition in Ming Ceramics. Major examples of Chinese porcelain drawn from the museum's own extensive collection. Closed Mondays.

Suntory Museum. European Posters from the Grandville Collection. Works by Lautrec and Mucha, as well as by artists of the Art Deco and Pop Art periods. Closed Mondays.

Arts Week

MUSIC

London

Leningrad Symphony Orchestra conducted by Alexander Dmitriyev with Eliso Virsaladze (piano), Borodin, Rachmaninov, Shostakovich (Mon), Barbican Hall (838 8891).

City of London Sinfonia conducted by Richard Hickox, Nancy Argenta (soprano), Michael Chance (counter-tenor), Mark Tucker (tenor), Bach St. Matthew Passion (Tue), Barbican Hall (838 8891).

Paris

Ventsislav Yankoff (piano), Beethoven, Schubert, Chopin, Bartok (Mon), Salle Gaveau (45832030).

London Symphony Orchestra conducted by Charles Dutoit with Joshua Bell (violin), Stravinsky, Prokofiev, Shostakovich (Tue), Leonard Slatkin conducting with Joseph Alessi (trombone), Haydn, Creston, Elgar (Thur), (374 6770).

Brussels

Theo Adam (bass) accompanied by Rudolf Dunczel (piano) singing Beethoven, Schubert, Schumann and Strauss (Sat), Theatre Royal de la Monnaie.

Munich

Bavarian Radio Orchestra and Choir under Leonard Bernstein with singers Arleen Auger, Frederica von Stade and Cornelius Hauptmann, Mozart (Sat), Herkulessaal der Residenz.

Elisabeth Leonskaja piano recital, Chopin (Mon), Herkulessaal der Residenz.

Milan

Luigi Alberto Bianchi (violin) playing Bach, Paganini and Corelli (Wed), Conservatorio G. Verdi (76001755).

OPERA AND BALLET

London

Royal Opera, Covent Garden. A newly staged production (in old sets) of *Die Meistersinger* by John Cox introduces two renowned Wagner portrayals — Bernd Weik's Hans Sachs and Hermann Prey's Beckmesser — to London audiences. Christoph von Dohnanyi conducts, and the cast also includes Reiner Goldberg, Felicity Lott, Gwynne Howell and Robert Gambill.

Paris

Estimote Opera. The newly inaugurated opera house performs an integral version of *Les Troyens* by Berlioz (Sat), (40011788).

Paris Opera. Roland Petit arrives with *Carmen*, *The Young Man and Death* and *Debussy for Seven Dancers* at the Palais Garnier (47423371).

Theatre de la Ville. Jean-Claude Galotta and the Group Emile Dubois perform *Les Mystères de Suzal* (4742277).

Brussels

Theatre Royal de la Monnaie. The Monnaie Opera in a new production of Wagner's *Lohengrin* with Josef Protschka (Lohengrin), Harald Stamm (König Heinrich) Tina Kiberg (Elsa) staging by Anja Silja, sets by Adrienne Lobel. Sylvain Cambreling conducts the Monnaie symphony orchestra and chorus. (Fri, Wed, Sun).

Forest-National. Lutz Grand Theatre of Poland performs Verdi's *Nabucco* with Romuald Tesarowicz (Fri, Sat).

Milan

Teatro Alla Scala. A totally Japanese production of Puccini's *Madama Butterfly*, by Keita Asari, with sets by Ichiro Takada and choreography by Hideo Kanaki. Adriana Morelli and Paolo Gavanelli lead the cast. (80.91.26).

Venice

Teatro la Fenice. The Béjart ballet of Lausanne in *Ring um den Ring* (Ring around the Ring), based on Wagner's Ring cycle, choreography by Maurice Béjart and sets and costumes by Peter Sykora (opens Tues) (5210151).

Rome

Salvatore Accardo conducting violinist Frank Peter Zimmermann in Mozart and Rossini (Sun, Mon, Tues), Auditorium in Via della Conciliazione (5541044).

Peter Neumann conducting the Kölner Kammerchor and the Collegium Cartusianum playing Bach's Easter cantatas, with soloists John Elwes, Klaus Martens and Uta Groenewold (Wed), Teatro Olimpico (383304).

Madrid

Spanish National Orchestra and Choir, with Escolania Nuestra Señora del Recuerdo conducted by Hans-Martin Schmidt. Bach programme (Fri-Sun), Auditorio Nacional de Musica (337 01 00).

Elliot Fisk (guitar), Frescobaldi, Bach, Castelnuovo-Tedesco, Paganini (Fri), Auditorio Nacional de Musica (337 01 00).

Pilar Lorengar (soprano) with Miguel Zanetti (piano), Teatro Lirico Nacional la Zarzuela (Sun), (429 82 25).

Barcelona

Licet's Symphony Orchestra and Choir, Beethoven's Missa Solemnis, Concerto del Liceu (Tues, Wed) (318 92 77).

New York

New York Philharmonic conducted by Charles Dutoit with Joshua Bell (violin), Stravinsky, Prokofiev, Shostakovich (Tue), Leonard Slatkin conducting with Joseph Alessi (trombone), Haydn, Creston, Elgar (Thur), (374 6770).

Washington

National Symphony Orchestra conducted by Hugh Wolff with Stephen Hough (piano), Haydn, Beethoven, Lutoslawski (Mon), James Conlon conducting with Mirella Freni (soprano), Verdi, Tchaikovsky, Rimsky-Korsakov (Thur), Kennedy Center Concert Hall (467 4600).

Tokyo

Kiyoshi Shomura (guitar), Villa-Lobos, Torrega, Granados (Mon), Suntory Hall (289 8998).

Chicago Symphony Orchestra. Bruckner Symphony No 8, (Wed), Mozart, Shostakovich, Tokyo Bunka Kaikan (Thur), Suntory Hall (289 8998).

Mikhail Rostropovich, with the New Japan Philharmonic Orchestra, conducted by Seiji Ozawa. Tokyo Bunka Kaikan (Wed), Bunkamura, Orchard Hall (Thur) (499 1531).

Turin

Teatro Regio. Pasquale Grossi's production of *Le Traviata* conducted by Roberto Abbado, with Nelly Miricioiu, Renato Bruson and Mario Carrara (8816.241).

Berlin

Opera. *Aida* has a strong cast led by Anna Tomowa-Sintow in the title role, Bruno Baglini, Giorgio Lamberti, Michela Sisti and Ingrid Weyl. *Hoffmanns Erzählungen*, in Giancarlo del Monaco's production with Faye Robinson, Iris Vermillion, Neil Shickel and Michael Burt. A Stravinsky ballet evening *Agon/Le Feu sacré/Le Sacre du Printemps* is jointly choreographed by Maurice Béjart and George Balanchine and another ballet Romeo and Juliet.

Hamburg

Opera. *Ein Sommernachtstraum/ Matthew Passion*, both with John Neumeier choreography Harry Kupfer's controversial new *Tannhäuser* production is well sung by Rene Kollo in the title role, Waltraud Meier, Linda Flech and Andreas Schmidt.

Cologne

Opera. *Die Walküre*, part of the new Ring cycle in a co-production with the Düsseldorf Opera, produced by Kurt Horres, will have its premiere this week. The cast features renowned Wagner portrayals by Paul Frey, Matthias Hoelle, Bodo Brinkmann, Nadine Secunde, Gabriele Schnatz and Hans Schwarz, conducted by Hans Wallat.

Bonn

Opera. The new lively *Barbier von Sevilla* production by Willy Decker has been well received. Singers include Ernesto Palacio, Bruno Praticco, Jennifer Larimore, Alberto Rinaldi and Luigi Roni. Also *Coppelia*.

New York

Metropolitan Opera. Franco Zeffirelli's new production of *Don Giovanni* continues, conducted by James Levine with Carol Vaness, Karita Mattila and Jerry Hadley. Hermann Michael conducts Otto Schenk's production of *Die Fledermaus*.

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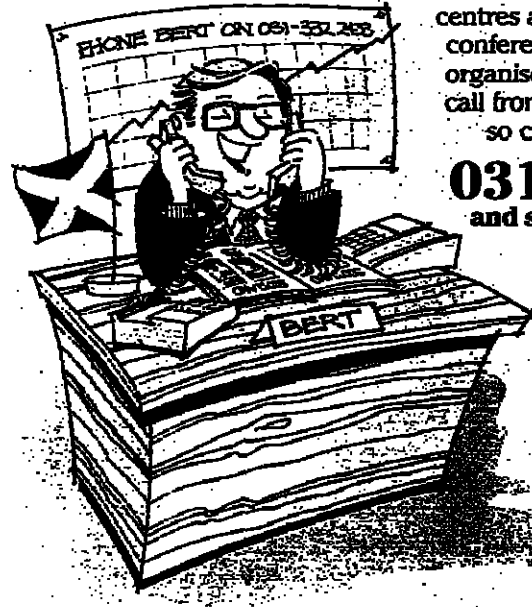
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Johns Hopkins Hospital

Wagner and Messiaen

FESTIVAL HALL

An extraordinary event on Tuesday: two episodes from the set act of *Die Walküre* preceded by Messiaen's *El espectro de la muerte*. It may not be fair to insist that among today's leading conductors only Simon Rattle could have made such a balanced success of both his parts.

While it was obviously the Wagner that turned this into an occasion - it marked Rattle's first approach to *The Ring* in London, the first local edition of Willard White's *Wotan*, and the return after a long absence of Rita Hunter - the slowly-built power and searing dramatic exultation of the Messiaen should not be forgotten. (The hall's acoustics took the final strains of the slow crescendo very near to crossing the listener's pain threshold.) And there was thematic sense to the programme, of a typically Rattle-like freshness - two sharply contrasted ways of dominating vast tracts of space and time.

From *Die Walküre* we heard the Ride joined to "War as so schmerzhaft." The former seemed, as usual, a banal without voice (one would have wished the concert sponsor, B&N and Co, had enabled the LPO to go the whole hog and the opera's entire third act, complete with Valkyrie troupe); the latter, introduced by the orchestra's marvellous liquid clarity and for angles, immediately lifted the experience onto a higher plane - in every bar, indeed, the depth and weight of tone,

never grandiose or portentous, pulled up, reminded us that this is London's most stylistically attuned Bruckner orchestra.

In concert, a conductor's approach to operatic drama is bound to be compromised, and therefore Tuesday's *Walküre* excerpts count only partially as evidence of the Rattle *Ring*-to-come. Even so, they left one longing for it. The instinctive qualities of this conductor's musicianship were married with his dramatic flair and his ability to make music sing, lightly and tenderly, to outline a wholly fresh and personal view of the Wagnerian universe, yet one in which the old values of long line, long-sighted paragraphs, and slowly swelling climaxes had not been ignored.

It was deeply moving to hear the Hunter Brümmling again the weight and sustaining power of the voice may now be reduced, in the middle register particularly, but the unforgotten shaping of line (complete with those profoundly musical portamentos) remains wonderful, indeed incomparable. Mr White's rich-grained bass-baritone took a while to find its focus, and was not always used with wise economy (like the conductor he has yet to tackle this *Ring* opera in the theatre). At his best - in magnificent long stretches of the Farewell - he convinced me that, for all their virtues, none of the day's other leading Wotans commands so natural a combination of vocal beauty, nobility, and musically lyricism.

Max Loppert

Beside Herself

ROYAL COURT

Twice in as many months the alter ego has stalked the stage at the Royal Court, both times in plays by women and in both cases expressing the break-up of the female identity under the pressures of modern life. Whereas in *My Heart's a Sufi*, Clare McIntyre's surly Chris had a medieval saint and a young gunman in tow, Sarah Daniels' Evelyn is bullied and harassed by wild-eyed incarnations of Eve.

Both plays contain passages of fiercely funny writing and both are structurally uninvolved, McIntyre appending a postscript while Daniels has stuck on a foreword of a gaggle of mythically misread women - from Delilah to the nameless Lot's wife - gossiping in a supermarket aisle. In both cases, these oddly diloated scenes seem to embody the kernel of the plays, almost as if these two very different writers are groping for the same rebuttal of received ideas of structure.

From the heavily punning smalltalk of the supermarket Daniels switches to a vandalised community care hostel where her play unfolds, with characteristic fury, on a catalogue of abuse by the male establishment: Evelyn, a middle-aged MP's wife and compulsive committee-sitter, has culminated her rage at the sexual hampers of her retired consultant father in the ritual of doing his weekly shopping, doggedly ignoring the hysterical jabbering of her Eve. Her experience is mirrored in a second drama of child molestation played out by the hostel cleaner, Lil, and her daughter,

a young nurse who walked out years earlier when the attentions of her stepfather grew too insistent.

Men, with the honourable exception of an elderly homosexual (a winning Tenniel Evans) who dies unnoticed in mid-play, are pompous, prejudiced and dangerous fools whose stupidity takes many different guises - from the hypocrisy of the "caring" cleric (Mark Tandy) to the smooth sanctimony of the consultant psychiatrist (Des McAleer) and the platitudeous cant of the social worker (Nick Dunning). The ultimate weapon of this representative cartel is the refusal to believe the stories of its victims, forcing the victims - women - to shoulder the guilt.

Homophobia, mental health care, the phoneyism of family values take a battering in a first act that is far too diverse in its targets to strike any one in the bullseye. In the second, the picture begins to settle and a pursuit of reconciliation to emerge - Evelyn with herself and June Watson's touching Lil with the daughter she lost. Daniels' Stubb brings a remarkable humanity to the middle-aged, middle-class Evelyn, who could so easily become a cipher of reactionary womanhood, meshing well with the glittering anger of Marion Bailey's Eve in what, under Jules Wright's direction for the Women's Playhouse Trust, emerges as a desperately flawed, desperately watchable study.

Claire Armitstead



'Flint and feathers' by Eliot Hodgkin

Still-lives with good ancestry

It was Jorge Luis Borges who said that each writer or artist creates his own precursors. Whether one believes it to be a universal truth or not, it certainly seems to apply to the late Eliot Hodgkin. Hearing witness is the current show devoted to him as both painter and collector at Hazlitt, Gooden & Fox in St James's (until April 10).

These unassuming and impeccably well-mannered still-lives, carefully composed and painstakingly executed, find ancestral voices in any number of the exquisite Old Master and modern paintings, drawings, prints and bronzes that grace Hazlitt's upper gallery. They are, with noble exceptions, masterpieces on a minor key.

Hodgkin - a kinsman of both Roger Fry and Howard Hodgkin - launched his career as a stage painter and muralist. His early paintings embraced a wide range of subjects from landscapes to portraits, flowers to topography. Around 1937 he seems to have taken up painting in tempera, using a recipe - the year of one egg, 10 drops of spike oil of lavender, three drops of poppy oil, and so on - supplied by his friend and former teacher Maxwell Armfield. The medium, which allows for no corrections or change of heart, proved a perfect means to his intensely focused ends.

Those contemporaries who also turned, to tempera, Edward Wadsworth and Tristan Hillier among them,

seemed eager to exploit the surreal potential of hyper-realism. There are no such overtones in Hodgkin's Pre-Raphaelite-style truth to nature. In the paintings of London war-time bomb sites so great is his absorption in the myriad weeds and wild flowers growing around the debris, that the gaping buildings become curiously unmemorable.

Glorious, botanically correct specimens in St Swithin's churchyard in the City rise to almost crowd out St Paul's and the architectural carnage. Elsewhere, in "And this is the Dining Room," our attention keeps returning to the rolled up carpet covered, like the ground, in a blanket of snow that might almost have come from the hand of Hokusai.

Still-life was Eliot Hodgkin's real métier. "In so far as I have any conscious purpose," he wrote in 1947, "it is to show the beauty of natural objects which are normally thought of as uninteresting or even unattractive: such things as brussels sprouts (few would disagree), turnips, onions, pebbles and flints, bulbs, dead leaves, bleached vegetables, an old boot cast up by the tide."

Evidence of the keenness of Mr Hodgkin's eye is the wad of spiked white and yellow receipts hanging by string from a nail, which the artist spotted one day in the Royal Academy office and took away to paint. Every crisp curling hole-punched edge is faithfully - even obsessively - recorded in what is effectively a modern

reworking of a typical 17th or 18th century trompe-l'oeil. The artist depicts baskets of lilies and kumquats with the eye of a 17th century Dutch or Flemish miniaturist. Studies of little wickerwork baskets filled with eggs have the delicacy of any 18th century French draughtsman.

The collection amassed by Eliot Hodgkin and his wife was catholic, and constantly changing. At any one time it might have included any choice object from a Benin head to the two Degas bronze prancing horses here, and could embrace both Ingres and Delacroix, and Watteau, Hokusai and Kathe Kollwitz.

It would be unfair to claim every piece a reflection of his artistic personality, but there is much that is Philipp-Ferdinand de Hamilton's pair of toadstool studies, for one from the 18th century, or a supremely subtle Morandi still-life of bottles from our own. Perhaps the tour de force of any of these petit-maitres is the covetable Hollar etching of a pile of fur muffs and gloves and finery.

In many ways, the etchings make the most interesting group, with ruined cottages from Rembrandt and Graham Sutherland, atmospheric interiors by Keene and Peter Milton, and a thoughtful juxtaposition of a Morandi still-life tondo beside Hockney's round boiling pot.

Susan Moore

In The Ruins

THEATRE ROYAL, BRISTOL

Here is a practical contribution towards the Government's wish for more teaching of British history. All that most people know about King George III is that he was mad, yet in his same moments he was a keen patron of the arts and he knew and cared about advances in science, naval and military achievement and agriculture. Nick Dear, as he showed us lately in his RSC version of Hogarth, likes to base a portrait on eccentricity and introduce other qualities as subplot.

So his George III, rightly promoted to the main Bristol stage after last year's run at the New Vic studio, offers every imaginable problem. The King is not only mad, he is over 80 years old, deaf and blind. What has survived from his earlier life is his manic chatter. Alone in the room at Windsor Castle where his doctors keep him confined, strait-jacketed if necessary, he has no one to talk to, so he talks to the courtiers he imagines around him.

He talks about Handel (he still pick out a tune from the Water Music on his harpsichord), Mozart with his "unpardonable brilliance." Sir George Baker and the other doctors who tend him, the Navy, the French revolution, the planet Uranus. He is said about his "having lost America," he remembers with sympathy the madwoman who tried to kill him, he is kept from sleep by nightmares about the Irish Catholics, he recalls the death of Nelson, he condemns the excessive price of mutton, he expresses some very damaging views about Patrick Malahide does it all with such certainty as if he were blind and deaf and octo-

genarian himself. His slow, questioning movements know where they are going, but not quite how to get there, and old feelings take the face over his head as the King's mind slides into the old subjects. Perhaps the voice might be made to sound a little older. A black page who looks after him (Marcus Powell) is so gentle in his occasional guidance that he might be no more than an idea in the royal mind, until as the King reviews his life, the boy jumps Handel's "See the conquering hero" in a voice of unexpected sweetness.

Anabel Temple has designed the room where the King does everything but sleep, and the director is Paul Unwin. After a week at Bristol, the production (which plays for 90 minutes, with no interval) goes to the Royal Court.

B.A. Young

The Fire Raisers

THE DUKE OF CAMBRIDGE

At first, this Triton production of Max Frisch's play has you wondering "what's the point of all this?" Bourgeois Mr Biedermann is callous enough to sack a colleague and silly enough, at a time of much urban arson, to invite into his home a suspicious character who wears arsony on his sleeve. So? Is it just a cartoon story to show that people who live in tinder boxes shouldn't invite arsonists in? And, as directed by Sally Hall, there's so much heavy comic mime that you wonder if the play hasn't just become an excuse for physical jinks. At first.

Then the point of the play's ruling metaphor hits you like a cask: fire-raisers, incendiaries, agitators. Next, its very obviousness, Python-style, becomes part of the comedy, fatuous, complacent bourgeois, refusing to recognise fire-raisers as such while all the evidence keeps piling up. Finally, mime clinches the obviousness: a long ludicrous dinner-party, full of party-piece games whereby the gaudy, proletarian arsonists keep demonstrating what they are right into the

faces of their hosts. Here is miming on the edge of a volcano.

And that's only Part One. Part Two takes the play on to other metaphysical planes, but maintains the comedy. Biedermann reflects on the virtue of his past life. "I didn't covet my neighbour's house. Or if I did, I bought it."

The Triton staging has obvious flaws. Part One begins too slowly. Part Two seldom makes physical action so crucial, and Biedermann (Tony Austin) is too young and too pallid to make his unseeing, platitudeous complacency as funny as it might be. All the actors show that they could do with more experience, but Schmitz (Dusty Gedge) and Eisenring (Paul Hunter), the two revolting proles, dominate whenever they're on. Their forced physical acting lacks refinement - and that's the point.

Sandra Hall is Biedermann's wife Babette (she gives the feast); she's very plainly, and offers amusingly a student of the Julie Walters school of bourgeois pretentiousness

lampooped. (Great school.) And neat work from the three females of the houndlike male firewarden chorus: Leslie Saketko, Lucy Crichton and Maggi Morrison. All three double in small roles; Morrison makes a memorably whimpering and simian academic.

The last few days have provided good chances to catch 20th-century European plays about the effect of proletarian revolution - *Figaro gets divorced*, *Maryla* and now this. None of them could have been written in this country. And yet, especially when they talk of the class system, they hit hard here.

In *The Fire Raisers*, destructive agitators take advantage of blind, middle-class hypocrisy and make it complicit in their action. The firemen speak of the sacredness of property. It is fortuitous that this staging should have opened four days after London's poll-tax riots; but it would be hard right now not to trace a connection.

Alastair Macaulay

More Szymanowski

PURCELL ROOM

On the South Bank there are attractive candidates to the current Szymanowski festival, in the form of recitals which juxtapose his smaller pieces - songs this month, piano music and his two string quartets in May - with comparable music by others.

Sain Burnside has devised the song-recital with apt imagination, and also accompanies them. From his notes one learned that Szymanowski wrote his extravagant *Songs for a Fairy Princess* for his collaborator (to lyrics by another sister), as also the role of Roxana in *King Roger*: not many people know that.

Eileen Hulse is one of the very few sopranos who dares to perform these high-exotic songs, and on Tuesday she soared and tinkled with seductive brilliance. One would call

it a *tour de force*, had it not sounded so easy.

She shared the programme with Fiona Kimm's pungent mezzo, to whom Rakhmaninov's "Vocalise" offered more than Szymanowski's "Vocalise-Stude" did to Miss Hulse - the distinction between the titles says it all.

Between them they sang more Rakhmaninov, to some purpose if not with much romantic sweep, and by comparison Szymanowski's "experimental" harmonies in his Three Songs op. 32 seemed merely guesst. Miss Hulse chattered fluently through the Four Russian Songs of Stravinsky, cleverly included to predict Szymanowski's next, "back-to-the-roots" phase.

Though Miss Kimm's timbre is an intriguing pleasure in itself, she brimmed with less

than her usual incisive confidence, and in Mussorgsky's *Snows* cycle - which, to be candid, should have blown the rest of the programme out of the water - that was a disappointment. She rose halfway to the two biggest songs at the end, "Elegy" and "On the River" which latter can and should be mentioned in the same breath as the "Cute Nacht" of Schubert's *Schöne Mälierin*.

Otherwise, she picked her cautious way through the cycle a constant half-beat behind her pianist (who entirely missed the huge sigh of the descending cadence in the final song), and in exceedingly reticent Russian. The effect was of a third-generation carbon copy.

David Murray

London City Ballet

SADLER'S WELLS

What a misnomer. Whereas NYCB, as the world well knows, is one of the most well-known expressions of NY, Little LCB, however, is in no serious way representative of L. It is, in many ways, provincial and means to be. And not good individual innovative provincial, like the late-lamented Kent Opera, but bland ingratiating dated provincial - like a junior form of Northern Ballet Theatre. True, London City Ballet's repertoire is more substantial, and its ensemble much more decently trained than ten years ago. But that repertoire and the company's style are still designed primarily to gratify audiences which have had little exposure to more sophisticated examples of choreography or technique.

Thus *Transfigured Night*, a tale of a sister's vindictiveness by Frank Staff, may just impress you if you (a) had not previously thought dance could illustrate this kind of psychological drama (b) have not seen the far superior examples choreographed by Staff's old colleague Antony Tudor in particular. *Pillar of Fire*, an older work made to the same Schoenberg score. By their gestural characteristics, shall ye

know their psyches, says this choreographic school. The jealous sister of *Transfigured Night* is repressed, so she keeps her arms tense, her leg-work parallel. The young sister is happy in young love, so she has kinky-passive and flowing phrases. The whole treatment is inch-deep as both psychology and dance. And LCB's performance emphasised the hammy gestural side. With more strongly etched dance phrasing, these characters might acquire more dimension. The revival of David Lichine's *Graduation Ball* is respectable. The impishness of Kim Miller's girl with pigtails and the delicate effects of Simon Horrill's travesty headmistress are especially welcome after the coarse acting that blighted London Festival Ballet's version some years back. But the dancing and it requires dancing yet more refined if it is not to seem foolishly twee. As for Jack Carter's *Three Dancers to Japanese Music*, its mock-Japaneserie is a vehicle for some titillating

aggression (by men) and manipulation (of women). After the schoolgirl giggling of *Grad. Ball* and the female stereotypes (goosey lovebird and vengeful bitch) of *Transfigured Night*, this kind of kinky-passive view of women is the last thing we need to see.

Ballet is by no means a misogynistic art, but how alarming that provincial ballet frequently reduces women to one trite stereotype after another. LCB proved this even in the grand old warhorse *Pas de deux in Le Corsaire*. Stanislav Tcheassov, badly cramped by the tiny Wells stage, is a strong Bolshoi type - rather bland, but appealingly expansive. But Marian St Claire's tough, expert account of the ballerina role does nothing to show the luscious glorification of womanhood and of chivalry that can make this ballet moving as well as exciting. And the way she uses and makes up her eyes is the most provincial thing of the evening.

Alastair Macaulay

SALEROOM

Still buyers for rare works

This week's London sales of major Impressionist and 20th century art have been all over the place, creating sensationalist headlines that the art market has crumbled. In fact the situation is more complex. Undoubtedly the euphoria of last summer has disappeared and demand has slackened, but there are buyers around for good and rare works.

The appearance of expansive Japanese collectors in 1989 fuelled most of the price appreciation: now a collapsing stock market, and a declining yen, have created caution among Tokyo dealers. But they are still active. Sotheby's sale on Tuesday night was not a success, being 36 per cent unsold, but the Japanese bought an unprecedented two thirds by value, and paid a record £3.74m for a painting by Chagall. It was the Americans, also with economic worries, who sat on their hands, not acquiring a single lot.

And the Japanese can hardly be blamed for the even more disastrous Sotheby's auction on Wednesday when the Costakis collection of Russian avant-garde pictures was 76 per cent unsold, making it one of the biggest auction room failures ever. It is a handful of Germans and Americans who buy this art.

In complete contrast Christie's sale yesterday of Russian art of the same period, roughly 1905-1925, did extremely well, totalling £1.2m, and 98 per cent sold. This was fresh material bought in the 1930s by the German dealer Kurt Benndikt and

only now re-emerging on the market. Presumably the buyers concentrated their funds on Christie's, with its conservative estimates, rather than Sotheby's. The top price, just on target at the lower end of forecast, was the £500,000 paid for "Colour Dynamic Composition" by Aleksandra Exter, a work of 1916 incorporating both Cubist and Italian Futurist elements. "Counter relief" by Vladimir Baranov-Rossiné, an assemblage of painted wood almost doubled its estimate at £308,000.

Sotheby's had another Russian set back yesterday when the Sokolov archive, material relating to the murder of the Czar and his family in 1918, was unsold at £300,000, just below forecast. The feeling was that dealers held off because they want the material to return to the Soviet Union and negotiations are underway.

But in contrast again, Sotheby's auction of contemporary art did very well, totalling £14.4m with 12 per cent unsold. There were auction records of £307,000 for a female nude by Lucian Freud and of £3.5m for "La Calipette" by Dubuffet.

Phillips put some backbone into the trade on Wednesday night when it achieved a record total for one of its modern picture auctions of £3.25m, with 19 per cent unsold. A Salvador Dali went for £291,500 and two Max Ernst oils, in their original frames, made £154,000 and £148,500 to a European dealer.

Antony Thorncroft

ARTS GUIDE

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's slyly ocean-going 1936 musical has four or five marvellous songs and a Pease falling to emulate Ethel Merman. Jerry Zalk's desperately bright production comes from the Centre Lincoln Center in New York and is undemanding fare (704 8651, cc 886 2429).

Jeffrey Bernard is Unwell (Apollo). Run Conti has taken over as the alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing. Ned Sherrin directs. (437 2683).

Another Time (Wyndham's). New Ronald Harwood play, directed by Elijah Mostinsky, about a white South African family in Cape Town and Malde Vale. Albert Finney plays father and concert pianist and across 38 years, suggesting that talent is a means of escape and a reason for not going back. Janet Suzman and Sara Kestelman are electrifying in support. (887 1116).

New York

Cat on a Hot Tin Roof (Eugene O'Neill). Kathleen Turner, whose statuesque good looks embody Tennessee Williams' vibrant character Maggie, is surrounded by an excellent supporting cast in Howard Davies' production. Grapes of Wrath (Cort). The Steppenwolf company's interpre-

tation of the Steinbeck epic novel has taken a long time to reach New York from Chicago: the wait was worth it, with the 1930s brought alive in its squalor as well as its test of human strength. Brian Stokes as Tom Joad stands out as Frank Galati's adaptation. Heidi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompanied by the musical and emotional flavour of the period (239 6200).

Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new better in the Marxman tradition. Tyne Daly, as the bossy, tireless and tunnel Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (246 0112). Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to at least shake the bones of this inert depiction of lives misconnected in an elegant, but somewhat random setting (236 0123).

Sweeney Todd (Circle in the Square). An intimate production of the Sondheim-Wheeler musical in contrast with the elaborate original a decade ago emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6200).

Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of three hours of film trailer previews will adore this compendium of Robbins' directed

and choreographed plays of the past 40 years, including *On the Town*, *West Side Story* and *Gypsy*. The lustre of the credits is dimmed by the brevity of each piece, with a contemporary crew of Broadway aspirants who lack the multi-talents that inspired the heyday of the musical. Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically felicitous (239 6283).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).

Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Washington

The Cemetery Club (Eisenhower). Elizabeth Franz, Ellen Heckart and Doris Belak star in new playwright Ivan Menchell's comedy of three widows who meet monthly to visit their husbands' graves. Ends April 29 (467 4600).

Chicago

Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (368 3000).

I'm Not Rappaport (Orlar St). Shelley Berman, one-time stand-up comic, now plays Nat. Herb Gardner's memorable Central Park character who gags his way

through the 1988 Tony Award winner (406 4000).

The Good Times are Killing Me (Body Politic). This City Lit production of Lynda Barry's first play captures an American childhood with poignant zanyness (871 3000).

Tokyo

Kabuki Kabuki-za (641 3131): two lavish mixed programmes (11am, 4.30pm) mark the 50th anniversary of the death of the great Kabuki actor Utaemon V. Among those appearing is his son, 75-year-old Living National Treasure Utaemon VI. Ends April 21. King Lear (Tokyo Globe Theatre). The Renaissance Theatre Company, led by Kenneth Branagh, with Richard Briers cast surprisingly in the title role. (390 1151).

Ballet (Ginza Hakuhoan Theatre). Yuri Lyubimov's controversial production was originally seen in Britain and has since been on a world tour. The acting tends to be upstaged by the continuously moving curtain that dominates the set (535 0555).

Hanshin (Theatre Apollo, Shinjuku). Revival of the 1988 play by Hideo Noda, the darning of Japan's fringe. Widespread genetic action and acrobatics form the basis of Noda's style, and can be enjoyed by those with only a minimum of Japanese (2476 0771).

Alt's Misbehavior. Lively Broadway revue and 1976 Tony award winner, based on the music and times of the late great Patsy Walker. The all-American cast is led by Andre De Shields, who starred in the original New York and London productions. MEA, Arizale (529 5187).

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Friday April 6 1990

The US leads in clean air

THE OVERWHELMING approval by the United States Senate this week of the Clean Air Act means that the most important legislation affecting US industry in a decade is now almost certain to become law. It will introduce sweeping changes to environmental controls on US industry. Car makers, electricity utilities, coal companies and plants in a range of heavy industries from oil refining to chemicals will bear the brunt of the proposals to cut down on emissions into the atmosphere.

The costs of complying with the Act could damage the competitiveness of companies which form the backbone of US industrial strength. That, at least, is the argument deployed by the army of lobbyists who have been mobilised to fight the Act. Their more extreme claims can safely be dismissed as special pleading. Yet there is no doubt that the Act will have a profound impact on the country's industrial structure and on some of its most important industries.

Indeed, the differential burden of the measures contained in the Act has dominated the horse-trading — not least between the White House and Senate leaders — which has resulted in substantial changes to the original proposals. Midwestern and Appalachian states are angry that they will have to pay for reductions in smog and acid rain in northeastern and southern states. They fear that the price will be fewer jobs in power utilities, mines, chemicals plants, steel works and car factories.

Stamp of compromise

The measure which has emerged from the Senate, and which is likely to be amended further by the House of Representatives before passing into law this summer, bears the stamp of compromise. The oil and motor industries, for example, succeeded in killing a move to force them to introduce methanol as an alternative to petrol. But they could still be obliged to phase in cleaner, reformulated petrol in the nine most smog-ridden cities from the mid-1990s.

The result pleases few environmentalists and even fewer on the radical right who believe that there is inadequate scientific justification for much of the Act. But the very fact that the US Congress looks set to approve such sweeping reforms after more than a decade of abortive attempts at legislation on the issue reflects the environmental groundswell now running through the US.

And where the US leads, other countries are likely to follow. Claims by some of the Act's supporters that it will deliver the cleanest environment in the world should be treated sceptically. Many of the Act's detailed provisions, like the requirement on coal-burning power stations to install expensive sulphur cleaning equipment to combat acid rain, find their parallel in plans already agreed by the European Community.

Large package

Yet few other countries have tried to introduce such a large package of anti-pollution measures in one go. Many other industrialised countries, including the UK and France, are debating how to tighten regulations on industrial pollution. The fact that business in the world's largest economy is facing comprehensive curbs on its polluting activities will dent the credibility of attempts by industrialists in other countries to resist stricter environmental measures.

Moreover, some provisions of the Clean Air Act will help to place the US in the vanguard of moves to improve the environment in the 1990s. One example is the encouragement it gives to find cleaner fuels for motor vehicles. Another is the proposal to combat acid rain through a system of tradable permits, which will give power utilities a direct economic incentive to cut sulphur emissions.

While the Act may add to the burdens on US business, therefore, it could also bring US industry some competitive advantages. Car manufacturers, for example, should look on the stricter tailpipe emissions and incentives to experiment with cleaner fuels as an opportunity, as well as a cost. Companies with experience of the new measures in the US will be in an excellent position to respond quickly and flexibly as similar provisions are introduced elsewhere.

Private finance for roads

THE THATCHER

Government's proposals for privately financed toll roads and river crossings, announced this week, are a reminder of the limited scope for introducing private capital to this branch of construction. Privately financed projects would be most valuable if they were able to introduce an element of competition into the identification of opportunities for constructing new roads and developing methods of design and construction; in other words, if the road building business could be made more like other businesses and if its efficiency could be enhanced by introducing new sources of ideas.

In practice, private finance seems likely to play a more modest role, as the provider of a marginal increase in the size of a road network that has been planned by the Department of Transport. The roads which are built with private money are likely to be roads which would have been built in any case, perhaps a little later, with public money; any net increase in the size of the road programme would be represented by schemes which were lower in the Department of Transport's list of priorities, and could be brought into the programme.

Despite its long opposition to the idea, the Treasury now seems willing to accept that private finance can supplement public finance in road building. But if the contribution from the private sector became substantial, this would imply a reduced need for public expenditure, and the public contribution could then be expected to fall.

Dependence on tolls

The dependence of the road builders on tolls to recoup their investment will inevitably concentrate their schemes on the busiest routes. Drivers who have a choice between free and toll roads will only use the latter if the time saving is substantial; and it is likely to be substantial only where free roads are congested — or, as with a river crossing, where they involve a lengthy detour. The scope for toll roads must be smaller in the UK than in France or Italy, because the main motorway network is free, and competition for tolls

is therefore stronger.

The nature of the road building process inhibits private finance. The complications of the planning procedures alone are a substantial deterrent to a private sector proposal for a new road; the promoter would have to be prepared to spend years consulting local interests on possible routes, and then to pilot his scheme through a public enquiry, if there were any objections to the selected route.

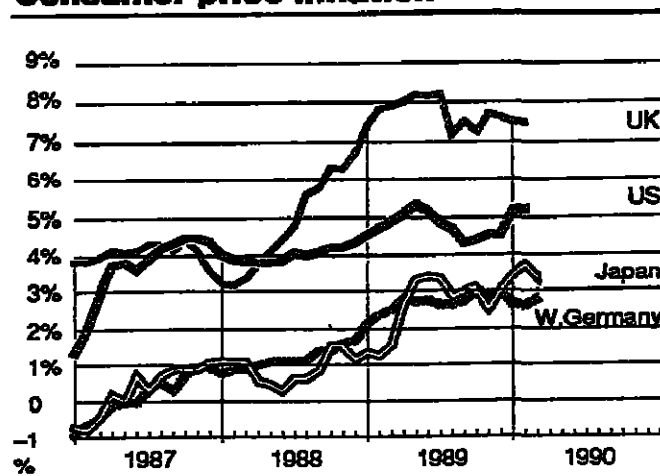
Protracted process

Such a protracted process cannot make a new road an attractive investment; at its conclusion, a company would still have to compete for the right to build the road it had planned. The Government has recognised that this uncertainty may deter proposals, and has therefore to compensate a promoter if a road is rejected at a public planning enquiry.

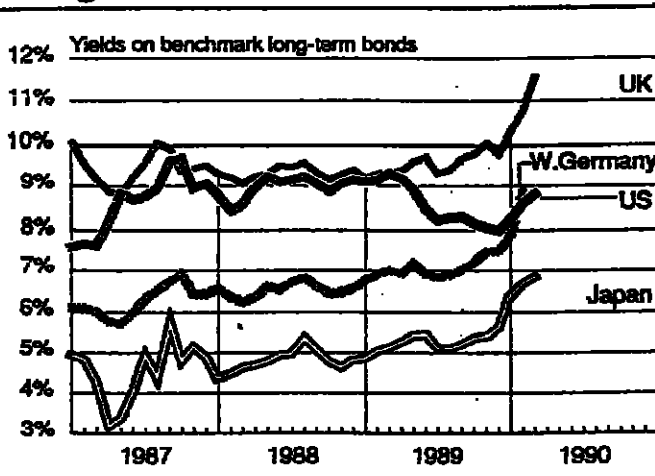
It is significant that the largest new scheme proposed by outside bodies is a new road to connect a new airport to the sort of local authorities and private sector companies: this proposal is for a new motorway to north east England, running to the east of the existing A1(M) trunk road and using the under utilised Humber Bridge. So far, at least, most proposals from the private sector have been for smaller and more specialized schemes.

The marginal nature of the contribution that private finance can make to road building suggests that the case for its use is not very strong. But the results, so far as they go, should be beneficial: they might not add many new ideas and resources to the road building programme but they would add to rather than subtract from the available supply. Some new routes would have extra capacity, reducing congestion and accidents. Some new ideas might be tried out on the standard to which roads can most economically be built. A few new ideas might be floated for routes on which new roads could usefully be constructed. The Department of Transport's proposal should be regarded as a modest experiment that is worth a try, but nothing to get too excited about.

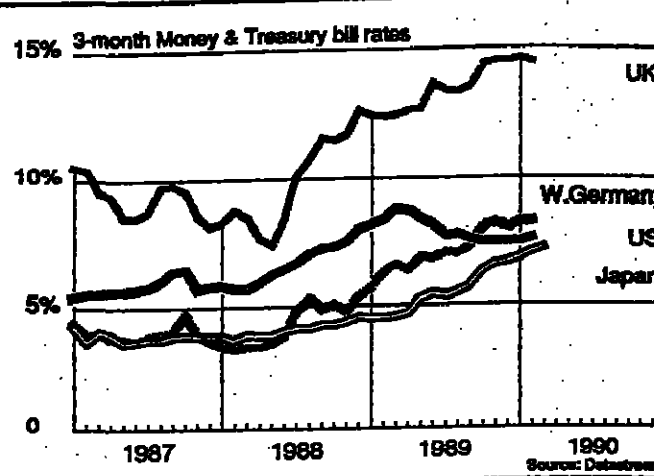
Consumer price inflation



Long-term interest rates



Short-term interest rates



The Group of Seven has become a rich nations' club in search of a role. The finance ministers and central bank governors of the US, Japan, West Germany, France, Britain, Italy and Canada meet in the new finance ministry in the drab district of Bercy in Paris tomorrow more as observers than movers of global economic developments.

Admittedly, the meeting has gained more purpose as it has drawn closer. It seems likely that the disarray in Japanese financial markets will top the agenda, with Mr Theo Waigel, West Germany's finance minister, providing the supporting feature with an update of progress towards German monetary union. It is no longer considered impossible that a statement to bolster the sliding yen will follow the talks.

But such an outcome will do nothing to reduce the impression that the G7 is now capable of little more than ad hoc responses to global economic problems. As recently as a year ago, it could still be considered an embryonic directorate for managing the world economy.

There has always been some doubt about the point of tomorrow's meeting. It was conceived as a bonus for the big countries during a weekend in which the finance ministers of more than 30 nations would be in Paris for a signing ceremony setting up the new European Bank for Reconstruction and Development to aid eastern Europe. By the time it became clear that negotiations over the bank, the G7 meeting had been widely cancelled and its abandonment would have meant a loss of face for the French Government.

There followed a period in which G7 officials scrambled around to find an agenda. It was suggested that the meeting should tackle relatively minor problems such as the EBRD or the vexed issues of increasing the resources and dealing with the arrears of the International Monetary Fund. These points, may still feature in tomorrow's talks if time allows. But the ministers will be meeting in a period of momentous change. The 28 per cent slide in the Tokyo stock market since the beginning of this year; the steep drop in the value of the yen; the planned monetary and political union of the two Germanys; the democratisation and shift to market economies under way in eastern Europe; growing economic and political problems of the Soviet Union; the step-up in long-term interest rates have radically altered the outlook for 1990 and beyond.

The yen's decline has been precipitate. It fell 13.6 per cent in trade weighted terms in 1989 and a further 9.3 per cent so far this year. Although Japan still runs a \$500n a year current account surplus with the US, the dollar's value has fallen against the trading range of about ¥120 to ¥140, thought to have been established in the February 1987 Louvre

Peter Norman looks at tomorrow's meeting of G7 finance ministers and central bankers

Japan moves to centre stage

According to stabilising leading currencies.

That the yen should now look like topping the G7 agenda owes a lot to some skillful positioning by the Japanese in recent days. A week ago, Tokyo financial markets were shaken by reports, later formally denied, that the Japanese Ministry of Finance had put pressure on Tokyo banks and securities houses not to buy dollars and US bonds. This week the Tokyo stock market has fallen sharply amid reports, also denied, that insurance firms planned a big sell-off of shares and that Japanese brokers are in trouble. The reports may have worked to Japan's advantage in so far as they have instilled fears of contagion from Japan's equity market slide in other G7 countries.

During this period, Mr Ryutaro Hashimoto, the Japanese Finance Minister, has been careful to play down expectations that the G7 can help the yen. Two weeks ago he met Mr Nicholas Brady, the US Treasury Secretary in Los Angeles, and came away with no visible demonstration that Washington would help either by larger-scale intervention or by cutting interest rates. Both of these options are resisted by several Federal Reserve governors.

In the meantime, however, the US and Japan have been negotiating over trade problems in the so-called Structural Impediments Initiative talks in Washington. The Japanese may hope for some support from the US in return for concessions over trade.

It is far from clear whether the G7 will rally round to support the yen. While France and Italy may be sympathetic to Japan's plight, in part because they are anxious to maintain the principle of active currency management by the big powers, West Germany takes the view that Japan is largely the author of its own misfortune. The German view is that Japan should raise its interest rates to curb inflationary pressures and resolve differences between the Ministry of Finance and the Bank of Japan.

Britain appears to have no firm opinion, though it is inclined to lean to the West German viewpoint. In the past, such divisions might have tempted a British Chancellor to act as honest broker. Mr John Major is more

likely to take a back seat role, in this, his first G7 meeting, to avoid closing out options in the future.

The US has indicated that tomorrow's meeting will end without a communiqué. However, there will be no news blackout. Mr Pierre Bérégovoy of France and other finance ministers plan to brief the press. Commentators in Washington have suggested that a joint US-Japanese statement about the yen will be issued, although European officials are sceptical whether this will happen or if it does, whether it could help ease the tension on financial markets.

The G7 meeting is therefore likely to have only a limited impact, in marked contrast with the apparent achievements of international economic policy co-operation in recent years.

But the law of diminishing returns has been corroding joint policy action since September 1985. That was when Mr James Baker, then US Treasury Secretary, threw aside the benign neglect towards the dollar's value of the early Reagan years and reached agreement with four of the US's leading

That Japan is coming to Paris with a weakened currency and falling stock market can be partly attributed to the Louvre Accord

ing trading partners to push the then overvalued dollar lower.

The 1985 Plaza Agreement between the US, Japan, West Germany, France and Britain was both the start and the high point of what became known as policy co-ordination. Growing current account imbalances, increasing trade protectionism in the US, faltering US growth and fears of a worsening of the Third World debt crisis meant each of the Group of Five nations stood to gain from the dollar's decline.

The subsequent Louvre Accord of February 1987, in which the G5 plus Canada and Italy sought to stabilise currencies, and the later co-operative

action of the G7 to steady world stock markets after the October 1987 crash have proven to be mixed blessings.

The Louvre Accord, while intended to preserve economic growth by creating an environment of stable exchange rates to encourage investment, had to be sustained by large central bank intervention in its first year. The associated increase in global liquidity helped sow the seeds of revived inflationary pressure in the world economy.

Interest rate cuts in the leading industrial countries after the 1987 crash cemented the G7's reputation for crisis management but at the cost of giving an extra push to inflation, notably in Britain.

By 1988, the Louvre Accord had already undergone considerable revision. It had evolved into a softer system in which the unpublished margins of fluctuation for member currencies had become more flexible. In parallel, nations such as the US and West Germany and later Britain focused more on domestic economic policy problems as inflation rates crept higher against a background of unexpectedly buoyant economic activity in the industrialised world.

That Japan is coming to Paris with a weakened currency and falling stock market can be partly attributed to the Louvre Accord. It opted for low interest rates and an expansionary monetary policy as part of a pact to lift its own domestic demand and restrain the rise of the yen against the dollar. Like Britain before it, Japan has learned that financial markets take a dim view of nations that subordinate domestic economic priorities to international policy co-ordination. Both countries — Britain in 1988 and Japan in 1989 — cut interest rates in the interests of currency stability to levels incompatible with controlling inflation. First Britain and now Japan have suffered a loss of international confidence in their currencies.

As the charts show, inflation has turned out to be a growing and stubborn problem. But the waning of international co-ordination also reflects changes in priorities and personalities in the G7 nations. ● The G-7 finance ministers and central bankers have other pressing

domestic concerns.

Mr Brady has to tackle the ballooning losses in the US savings and loans system. In West Germany, Finance Minister Theo Waigel and Mr Karl Otto Pöhl, the Bundesbank president, are fully occupied with the plans to forge a currency union with East Germany. The challenges posed by European Monetary Union are more important for the French and Italian ministers than G7 currency stability.

● Political changes have removed supporters of G7 co-operation. The decision to co-ordinate policies with the aim of stabilising exchange rates was promoted primarily by Mr Baker, Mr Nigel Lawson, the former British Chancellor, and Mr Gerhard Stoltenberg, West German Finance Minister until early 1989.

Mr Baker left the US Treasury to fight President Bush's election campaign in 1988 and is now US Secretary of State. Mr Brady, his successor, leaves most international monetary matters to Mr David Mulford, the Treasury's Under Secretary for International Affairs.

Since taking over as Chancellor last October, Mr Major has spent most of his time steering the British economy and has yet to turn his attention to broad international economic affairs. Mr Waigel has shown none of Mr Stoltenberg's enthusiasm for international financial statesmanship, having an important second job as head of the Christian Social Union party. Mr Hans Eismann, for many years the powerful state secretary in the West German Finance Ministry responsible for G7 matters, has left to join the Bundesbank directorate and been appointed Chancellor Helmut Kohl's personal adviser on German economic and monetary union.

Co-ordination has been made more difficult by diverging views on policy between the finance ministries and central banks in two of the "big three" G7 economies.

In the US, the Treasury is far less concerned about inflation and far more worried about slow growth than is the Federal Reserve. In Japan, the more serious split between the Bank of Japan and the Ministry of Finance led to protracted delays before last month's one percentage point increase to 5.75 per cent in the official discount rate.

The type of contact that does exist among the G7 ministers and central bankers no doubt gives the group a continued capability for crisis management. This has not been triggered so far by Japan's financial problems, which have largely been confined within its borders in spite of all the talk of global markets.

But the decline of international co-ordination may be stacking up problems for the future. One of these is increased protectionist pressure in the US, which could reach critical proportions, if, as seems likely, Japan's foreign trade surpluses rise again on the strength of the present low value of the yen.

The scale on the HDI

■ The United Nations is about to launch a new world economic indicator. Called the human development index (HDI), it will measure not only gross national product per head, but also how countries apply their resources in such matters as health, education and the distribution of income.

It will come from the United Nations Development Programme, whose administrator, William H Draper II, was in London yesterday. Draper describes the UNDP as "the least known and most universal of the UN agencies." It has "a unique network of contacts around the world," he says.

Draper is an American who used to organise the launching of high technology companies in Silicon Valley. He learned about developing countries when he became chairman of the US Export-Import Bank. He was appointed UNDP administrator in 1986 and recently agreed to serve a second four-year term.

The first thing he noticed about UNDP, he says, was that it didn't have much money. It is currently working on about \$1.2bn a year. But it does have the network. "Whereas the World Bank supplies the hardware, we supply the software, the advice on training, organisation and management."

"We help governments. We're there. We don't leave if a country has a coup, or if it doesn't fit the US/UK pattern of human rights." But he adds that human rights will become more of an issue.

Indeed they will, if the new index goes on developing. The new index will confine itself to economic and social developments, which is difficult enough.

It will show, for instance, that Sri Lanka makes the best of an income per head of only \$400, a life expectancy of 71 and an adult literacy rate of 87 per cent. Bolivia is a success

story and China will come out quite well.

However, there is another component on the way that will be added to the index next year. It will attempt to measure the extent to which the methodology has not yet been established, but, says Draper, "we shall publish a ranking order."

That could be quite controversial. So could the first index to be published next month. It is "gender-sensitive," which means that it will pay a lot of attention to the role of women in development.

Take to tents

■ Brig Oubridge, a 38-year-old single parent and Green councillor, revealed his own method for avoiding paying the poll tax at the party's conference in Wolverhampton yesterday. He has been declared exempt because he lives in a teepee in west Wales.

Management art

■ "I once gave a lecture on 'The Art of Management'," says Christopher Wiscarsen. "It was subtitled: How Picasso Would Have Handled Life Assurance. And it was in Sun City." There was another called Sales Figures in Venetian Art.

Wiscarsen is giving up his post of chief executive of Save & Prosper Insurance to become group director, Europe on the board of Lloyds Abbey Life.

"It's not a vastly better job," he admits, but he wants more to do with Europe. He might not have been here at all. Wiscarsen left Britain for South Africa on the day of the 1979 general election. "It was a pretty grim sort of place then," he says.

In South Africa he worked in life assurance for a subsidiary of De Beers, and extended

OBSERVER



his knowledge of art. He was sent to a management course at Harvard, where he decided that South Africa, with its riots and arson, was not what it used to be. The future was in the US or Britain: he came home to Save & Prosper.

In Johannesburg he was a liberal. "You would be if you had to deal with house purchase loans in Soweto." At home he is a Conservative. He lives in Michael Heseltine's constituency where his wife is an active helper. She gives lectures to women whose husbands seem to be married to their company.

Now 39, Wiscarsen will be looking for acquisitions for Lloyds Abbey Life in Spain and Italy.

Chope chopped

■ On the French side of the Channel, where pictures of chanting demonstrators in Trafalgar Square and broken shop windows in Regent street fill the nightly television news, almost everyone is convinced that the poll tax is a monumen-

tal mistake of a kind that could only be made by the British.

But Christopher Chope, the junior Environment Minister in charge of local taxation, yesterday made a brave attempt to convince the French that all was not as bad as it seemed.

"The community charge is nothing like as unpopular as people might believe from reading their newspapers," he told a conference on local government organised by the Institut La Boétie, a businessmen's think tank.

"A lot of people have been celebrating the abolition of local rates — probably quietly and in private, away from the television cameras. Those who are demonstrating are those who in the past never had to pay a penny."

Chope did not convince all of his audience, and he certainly seems to have failed to convince Michel Rocard, the French Prime Minister, who closed the conference.

The French Government is now backtracking rapidly from a reform of local taxation voted in last year's finance bill and due to take effect next year. It would replace part of the present housing tax by a local income tax.

Studies carried out by the Finance Ministry, however, show that nearly 5m people who escaped the housing tax, most of them poor and many of them old, would have to pay an average of FF300 each under the new system. The French know how to retreat when necessary.

Human error

■ The Sunday Press in Dublin has been obliged to apologise to the heavily bearded Proinsias De Rosca, a Member of the European Parliament who also belongs to the Dail. A caption under his photograph three weeks ago read: "Prospective Minister?" Expressing regret at the embarrassment and inconvenience caused, the newspaper points out that it should have been: "Prospective Minister."

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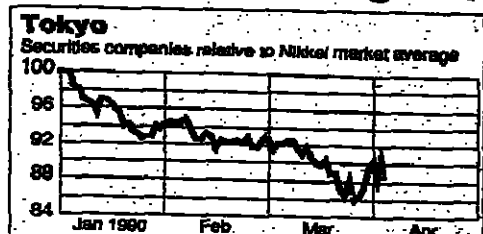
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Friday April 6 1990

Not just Number 1
in Plumbing Supply
WOLSELEY

INSIDE

Battling rumours at Tokyo's exchange



Officials of the Tokyo Stock Exchange called a hurried press conference yesterday to deny rumours that some smaller Japanese securities companies were on the verge of bankruptcy. After the official denial, the Nikkei average recovered an early fall of almost 1,200 points to finish just 193.88 down at 23,249. Stefan Wagstyl reports. Page 32

Maxtor rides to the rescue

MiniScribe, the struggling US disk drive manufacturer, has come through a rough year which saw the resignation of its chairman and chief executive, a series of shareholder suits, and an internal inquiry which alleged to have uncovered evidence of fraud. However, Maxtor, another US disk drive company, plans to buy the company for \$46m and, hopefully, a brighter future beckons, reports Louise Kehoe. Page 29

To mine or not to mine

Mining to most environmentalists means big open pits, deserted towns and scarred landscapes - everything that is negative. But is this a balanced picture? Delegates at the annual convention of the Prospectors and Developers Association of Canada have heard an alternative view - that mining generates wealth and supports every activity which protects the human race. Page 40

Japanese head for Fifth Avenue

Saks Fifth Avenue, that legend of New York shopping city, is having a sale and the Japanese are looking to buy. BAT Industries is selling its US retail subsidiary and yesterday the Shuwa Corporation revealed its interest in the store. Other interested parties include Saks management and US General Cinema. Page 36

Hands on, hands off managing

Volvo's proposed deal with state-controlled Procordia underlines the difficulties facing Sweden's ruling Social Democrats as they forge ahead with a programme of partial privatisation. Robert Taylor reports on the Government's efforts to dilute public ownership, yet still retain control of industrial enterprises in the public sector through a new state-controlled holding company. Page 30

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Chief price changes yesterday

FRANKFURT (DM)	PARIS (FF)
Alcoa	785 + 10
Alcoa	785 + 10
Alcoa	785 + 10
Alcoa	785 + 10
Alcoa	785 + 10

LONDON (Pence)	PARIS (FF)
BAA	391 + 5
BAA	391 + 5
BAA	391 + 5
BAA	391 + 5
BAA	391 + 5

Canadians take 8% stake in Rosehaugh

By Paul Cheeseright in London

OLYMPIA & YORK, the privately owned Canadian property and investment group, has accumulated an 8.25 per cent stake in Rosehaugh, the British property group in the throes of financial reconstruction. The Rosehaugh share price advanced on Tuesday and Wednesday, by which time the share purchases had been completed. Yesterday an early rise of 30p was wiped out leaving the price unchanged on the day at 275p, valuing the O&Y stake at £22m (£17.7m) and the company at £204m. O&Y becomes the second significant North American shareholder in Rosehaugh. JMB Realty of Chicago has 4.9 per cent. Speculation that O&Y might bid for Rosehaugh was widespread last year when the share price was more than double its present level.



O&Y's Canary Wharf project in London: at the heart of similar strategy to that which brought power in the New York office market

Tentacles spread from Canary Wharf

Paul Cheeseright on the growing power of O&Y over London's property developments

Shudders of excitement went through the stock market when Olympia & York of Canada disclosed its stake in Rosehaugh. Here, after all, was the prospect of the large and rich buying out the smaller and recently impoverished. Here was a big overseas group taking advantage of the lowly-rated and poorly performing property sector. But it was all short-lived. The last sentence of the statement brought back the more habitual attitude of market indifference: O&Y "has no present intention" of making an offer. Like the rest of the property sector, it will probably wait to see how Rosehaugh's affairs unfold. How O&Y will use its stake in Rosehaugh is not clear. A mere 8.25 per cent of the equity does not of itself confer much power, and Rosehaugh, which heard of its new shareholder only late on Wednesday, does not know whether the stake does in fact confer power. Even the Reichmann brothers, who control O&Y, with pockets believed to be billions of dollars deep, do not spend up to £22m (£16m) to back failure. Rosehaugh is seeking to overcome a liquidity problem, first with a fully subscribed £125m rights issue and second with some more property sales. Management of the sprawling group

has become more assertive in recent months. But "no present intention" suggests that an offer could be more appropriate later. That would be consistent with the style which O&Y has adopted since it returned to the British property sector in mid-1987 and took over the Canary Wharf project in London Docklands from G. Wurz Travelstead. Gradually but surely O&Y has spread out its tentacles, assuming a greater degree of potential influence over the London office market. In just the same way it assumed a position of power in the New York office market from the time it bought its first buildings in 1978 to the time, 10 years later, when it completed the World Financial Centre. The Reichmann brothers are now the biggest landowners in Manhattan. Canary Wharf - a whole new commercial community if tenants sign up - is its biggest project so far with, as its core, 10m square feet of offices, equivalent to a seventh of the City of London's existing space. But O&Y has not stopped at Canary Wharf. It has bought sites and entered into joint ventures on land adjacent or near to the project. It is involved with Trafalgar House at Port East, next door, in a retail and leisure complex. And it has tied up with Regalian Properties, its neigh-

bour on the other side, in a largely residential development at Heron Quays. The Canadian group is also involved with Jacobs Island Company on a mixed scheme at Surrey Quays, facing Canary Wharf from the south side of the River Thames. O&Y, in short, has become the biggest commercial property developer in London Docklands and, as such, the pivotal player in the Government's showcase inner-city revival project. It is said that the brothers are welcome in Downing Street - the Reichmanns need the Government and the Government needs the Reichmanns. Yet there have also been equity investments which tie in with this strategy. These equity stakes can both extend the O&Y influence in London Docklands and give it a sleeping role in developments in other parts of central London. The first and most significant of these was the purchase of one third of Stanhope Properties for £137m in May 1983. The second, at under a quarter of that price, was the 8.25 per cent stake in Rosehaugh. Now Rosehaugh and Stanhope are linked, in what seems to have become a rather sour association, through Rosehaugh Stanhope Developments (RSD). They are responsible for the Broadgate

office complex, the largest of the City of London office developments, which they own with British Rail Property Board. They also have Ludgate, another large City development on BR land, under construction, and they have, for the mid-1990s, another alliance at Kings Cross. Here a redevelopment of derelict land on the scale of Canary Wharf will take place. Further, the two have Docklands projects on the Isle of Dogs, not far from Canary Wharf. RSD is also haggling with the London Docklands Development Corporation about the terms for a gigantic redevelopment, further east, on part of the Royal Docks. Rosehaugh, however, is withdrawing from this project. Involvement with Rosehaugh and Stanhope, through Broadgate especially, provides O&Y with a stake in the City property sector which, the Reichmanns do not cease to stress, is seen as complementary to Canary Wharf. But the tactics adopted to find tenants for Canary Wharf mean that O&Y becomes a competitor of City landlords. Merrill Lynch, the securities house, agreed to go to Canary Wharf not long after leasing new premises in the City. The terms under which it will move have never been disclosed, but presumably O&Y will take responsibility for 20-plus years remaining

on Merrill's lease. By seeking to shuffle companies from one location to another and taking some of the financial responsibility for doing so, O&Y's tentacles stretch from Docklands into the City. O&Y in this respect is following the same techniques it used to draw tenants to the World Financial Centre in New York. It bought companies out of their existing buildings and installed them in O&Y premises. The result was that, over several years, the O&Y office portfolio grew sharply. In London, O&Y appears to be going down the equity route instead, not least because it is cheaper to buy into companies on the stock market than it is to buy their properties individually. The point about all this is that O&Y, on its own account and through its investments, first in Stanhope and now in Rosehaugh, is either taking, or getting into position where it can take, a role or influence in the three largest London property projects for the 1990s. It is assuming a position of power in the property sector equal or greater than that of the traditional landlords. Whether the power is fragile or solid depends on whether Canary Wharf is vibrant community or white elephant. Lex, Page 28

Hambros rejects Norwegian claim

By Karen Fosli in Oslo

HAMBROS Bank of the UK yesterday rejected a claim by two court-appointed Norwegian lawyers for Nkr650m (\$89m) in damages in connection with an inquiry into the fortune of the late Mr Hilmar Reksten, whose shipping empire collapsed in the late 1970s. The bank is alleged to have played a key role in building up the Reksten family's foreign activities which the lawyers, Mr Christian Røll and Mr Jens Kristian Thune, claim were financed by illegal funds. The case, which has been running for almost 30 years, is a saga of truly Nordic proportions. Mr Reksten, who died of cancer in 1980, is accused of moving out of Norway the fortune he earned as a tanker owner during the Middle East wars of the 1970s. This, it is alleged, deprived several creditors which are said to be owed about Nkr3bn, and the Norwegian state-owned Guarantee Institute for Export Credit, which claims it is owed Nkr890m. Hambros was allegedly implicated when Mr Asbjørn Lund, Reksten's New York lawyer, testified in a New York court about the central role he played in the Reksten affair together with Hambros. The Reksten trustees and official receivers are expected, in court, to seek damages in a three-pronged strategy: Nkr300m for the role which Hambros allegedly played in illegally rescuing Reksten from bankruptcy in 1975. It is claimed that Reksten's debt was covered by the Panama-based company Iceland Shipping, when the rescue funds and actually came from Mr Reksten's hidden fortune. Nkr300m for the losses which Hambros allegedly caused Reksten's creditors. Nkr50m for the role which Hambros allegedly played in obstructing investigations into the affair and for allegedly misleading investigators. In a writ of summons to the Oslo city court the two lawyers claim Hambros misled Reksten's creditors and Norwegian authorities in an alleged fraudulent cover operation. Hambros said yesterday that the lawyers' formal claim disclosed no basis upon which the action could properly be brought. "Hambros continues totally to reject any liability... and, without at this time admitting the jurisdiction of the court, repeats that the bank will defend the action vigorously and seek all remedies to which it is entitled," the bank said.

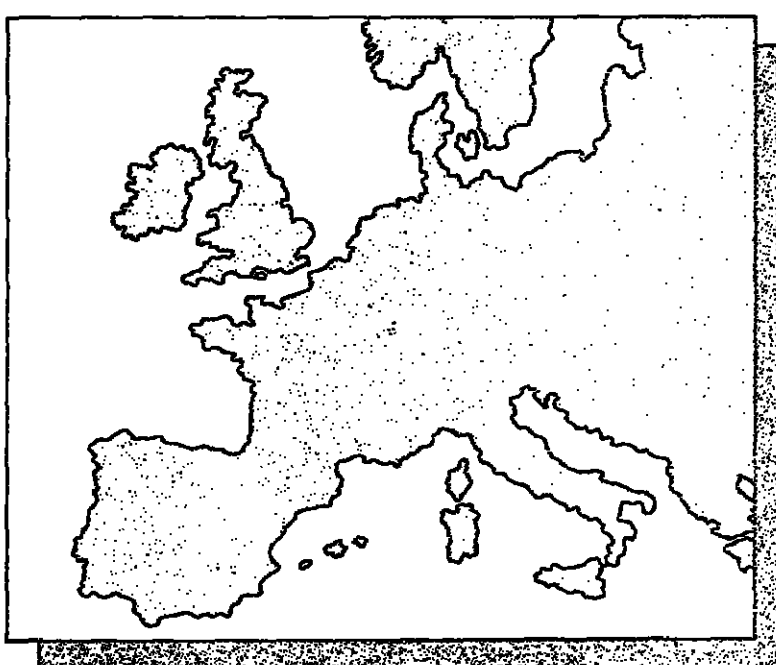
Canal Plus launches formal bid for Belgian film channel group

By Raymond Snoddy in London

CANAL PLUS, the successful French pay television company, has made a formal bid for Filmmet, a Belgian-based film channel company broadcasting to six European countries. Canal Plus, which last month announced a 22.5 per cent increase in net profits to £13.5m (\$18.5m), has made the bid in a joint venture with Scandinavian interests. Mr Claude Ravilly, Canal Plus finance director, said yesterday the company was still waiting for a response from Filmmet, the company that controls Filmmet. Filmmet, which is believed to be losing money, has an estimated 400,000 subscribers for its channel broadcast on the Astra satellite. "We think our group is in the best position to make the best offer. It is not an easy thing to do. It [Filmmet] requires a great

deal of financial support," Mr Ravilly said. The bid for Filmmet is the latest example of Canal Plus moving out from its French base where it has 2.9m subscribers to try to dominate the pay television market in continental Europe. Mr Ravilly said, permission had been given for the purchase of Teleclub, a German pay television channel and the creation of a new channel, Premiere, in a joint venture with Bertelsmann, the German media giant. Canal Plus, which specialises in films and special sports events, began a pay television service in Belgium last year and a Spanish service is due to start later this year. From the summer, Canal Plus will also be available from the French broad-

casting satellite TDF-1. The French company has, however, decided to stay out of the pay television market in the UK because of the intense competition generated by the launch of Mr Rupert Murdoch's Sky Television and the launch at the end of this month of British Satellite Broadcasting. It did however take a 10 per cent stake in TVS Entertainment at the time of the ITV company's \$320m purchase of MTM in the US. Mr Ravilly said he was a little disappointed at how things had gone at TVS and had decided to write off FF45m of the FF270m investment. "We are still confident that TVS management will be able to improve the situation at MTM," said Mr Ravilly. He never been disclosed, but presumably O&Y will take responsibility for 20-plus years remaining



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APV rises 17 per cent to £60m

By Clare Pearson in London

APV, the UK food and drink processing equipment manufacturer, yesterday reported a 17.7 per cent increase in pre-tax profits to £50.6m (\$68m) for the year to end-December. This was in line with expectations but the company disappointed the City of London by revealing a balance sheet that cast a shadow over the bright picture presented by its profit and loss account. There was disappointment, too, at the tone of the statement from Sir Peter Cazalet, who took over as chairman last autumn, on current year prospects. He said that he was "moderately optimistic." The balance sheet showed shareholders' funds shrinking during the year from £180m to £131.2m. This was the result of

costs incurred in disposing of the company's printing machinery business, none of which were provided for in 1989, and which were bigger than expected. The printing machinery business was sold in February last year to Rockwell, the US-based conglomerate, for \$55.3m. APV, which spent £17m on acquisitions during 1989, also wrote off £40m worth of goodwill. Working capital rose sharply from £117.3m to £171.7m. There was a big increase in stocks, attributed partly to reorganisations and partly to a build-up at one project in the Soviet Union. Gearing finished the year at 42 per cent, down 3 per cent. Mr Neil French, finance director, said the company was making strenuous efforts to tighten financial controls through

improved reporting systems and incentives for managers. On the trading outlook, Sir Peter pointed to the growth in markets outside the UK and the international nature of the business. But he noted that higher interest rates were dampening the capital expenditure plans of customers in the UK, where 18 per cent of sales are made. Turnover rose 5 per cent to \$844m (£606m). But if the sales of the printing machinery business are excluded from the 1989 figure, the increase was 14.2 per cent from £789.7m. Earnings per share worked through at 14.1p (12p). The final dividend is lifted to 3.4p (3p), making 5.4p (4.8p) for the year. The best performing business segments were dry food and liquid food.

INTERNATIONAL COMPANIES AND FINANCE

Fokus Bank aims to pre-empt merger

By Karen Fosell in Oslo

FOKUS Bank, a medium-sized Norwegian bank, said yesterday that it had purchased a 30 per cent stake in Soerlandsbanken, another medium-sized Norwegian bank which agreed on Wednesday to merge with Christiania Bank. Norway's second largest bank, with a view to pre-empting the Christiania/Soerlandsbanken deal.

"We intend to put forward a proposal to merge with Soerlandsbanken and we realise that we will at least have to match Christiania's offer," Mr Terje Svendsen, general manager of Fokus, explained.

A senior executive with Christiania admitted yesterday his bank was taken by surprise with Fokus' move. However, he did not see the development as a threat to the merger plans as both banks had by yesterday endorsed their merger.

Fokus' purchase of a 30 per cent stake in Soerlandsbanken gives it voting rights of only 10 per cent.

However, it is believed that Fokus is unlikely to succeed in a counter-offer for Soerlandsbanken, as the deal with Christiania has already received the unofficial blessing of finance ministry authorities, which must approve all bank mergers.

Fokus Bank had not informed the authorities of its intention to launch a counter proposal for Soerlandsbanken. Final ratification of the Christiania/Soerlandsbanken merger is expected soon from the two banks' boards of representatives.

Fokus Bank had an operating profit of Nkr715m (\$108m) in 1989, loan losses of Nkr538m and net profits of Nkr167m. The banks ruled out any chance of a merger between the three of them.

ABB to combine control units

ASEA Brown Boveri, the Swiss/Swedish engineering group, said it plans to combine its US power plant emissions control businesses into one business, AP-DJ reports.

Shares in Boots fall as Halfords chief quits

By Maggie Urry

A RASH of management moves at Boots, the retailer and pharmaceutical manufacturer, left the shares down 7p at 258p yesterday.

The market was particularly concerned by the resignation of Mr Ian Staples, managing director of the Halfords chain of car part and bicycle shops. Boots acquired the chain last summer as part of its £900m (\$1.4bn) takeover of the Ward White retail group.

It was felt that Mr Staples was the mainstay of the Halfords management team, which Boots has described as the best part of Ward White.

The early retirement of Mr Peter Courtney, Boots' finance director, was also announced yesterday. He is 57 and will stay until the end of June, by which time the annual report will have been published. Mr Courtney said he felt it was an appropriate time to hand over

to his successor - Mr David Thompson, 47, currently group financial controller.

Also leaving is Mr Martin Meech, Halfords' property director who is going to join the board of another retail company.

One analyst said the series of moves was unsettling, but Boots said it was coincidence that they were all announced yesterday. It was already known that Mr Robert Gunn, Boots' chairman, is to retire in the summer. Mr Staples is leaving to pursue a new venture outside the retail sector. He will be replaced by Mr Brian Whalan, managing director of the 350-store chain, Boots Opticians.

Mr Staples built up the Halfords business and analysts said there was a suspicion that he had found Boots' style different to his own. Boots said yesterday that

Halfords had a strong management team of "dedicated, long-term retailers, very much in the Boots mould."

Boots said Mr Whalan's experience in building up the opticians chain fitted him for the Halfords role, and dismissed as "a load of tosh" a suggestion that someone who sells spectacles may not be able to sell bicycles.

Mr Staples and Mr Meech are not expected to receive compensation payments.

However, three directors who left Payless and A G Stanley, the do-it-yourself chains which also belong to Ward White, last November are thought to have received pay-offs.

Boots is still negotiating compensation terms with Mr Philip Birch, the former chairman and managing director of Ward White.

Rising interest rates cause dip at Frankfurt merchant bank

By Katharine Campbell in Frankfurt

BERLINER Handels-und Frankfurter Bank, the Frankfurt-based merchant bank, yesterday reported a dip in total operating profits in spite of strong growth in its investment banking services.

This was a result of the rising domestic interest rates affecting both margins and trading profits, as well as higher costs in some areas.

Group partial operating profits at DM211m (\$124m) fell 5.8 per cent from the previous year, although the bank points out that the figure represents a 3.8 per cent increase when the sale of Frankfurter Kreditbank - a leasing and industrial credit operation in which BHF had 80 per cent and which was sold to the Dutch Amsterdam-Rotterdam Bank - is taken into account. At parent level, partial operating profits amounted to DM187m, a 2.7 per cent increase in 1989.

While BHF does not disclose total operating profits, Mr Klaus Subjatzki, a BHF man-

agement partner, explained that trading profits had fallen considerably compared with 1988, which had been an exceptionally good year.

He said the bank had crystallised some losses by selling fixed-income securities earlier in the year, correctly anticipating falling bond prices, but that further write-downs had still been necessary at the end of December. The adverse interest rate climate meant that net interest income at both group and parent level fell back, down 2.5 per cent to DM397m at group level.

However, group fee income rose almost 30 per cent to DM227m with strong contributions from stockbroking business.

Restructuring among the international investment banking components in London, Tokyo and New York have been successful although Tokyo still makes a loss.

Although BHF is suffering less than in previous years

from mounting personnel costs, overall costs still rose 8.9 per cent within the group and 9.3 per cent at the parent bank. Mr Subjatzki particularly cited the expense of preparing for the new computerised options exchange, the Deutsche Terminkörbe.

Group net profit rose 6.1 per cent to DM921m and the bank intends to pay an unchanged dividend of DM12.

Mr Subjatzki said the interest rate environment had worsened for the bank at the beginning of 1990 with the accompanying adverse effects on margins. But he hoped for cost improvements, now that the DTB equipment had been paid for, and continued strong growth in investment banking at home and abroad.

Unlike the big commercial banks, BHF has no plans for an extensive network in East Germany. Instead it will initially use an office in Leipzig to provide merchant banking services.

Citicorp to take 2% of Agnelli company

By Our Financial Staff

CITICORP, the US banking group, is to acquire the equivalent of a 2 per cent stake in IRI Finanziaria di Partecipazioni, a key financial holding company of Italy's Agnelli family, by investing L30bn (\$24m) in ordinary and savings shares.

IRI also announced a plan to raise roughly L365bn in new capital for new investment opportunities.

The holding company said it concluded the agreement with Citicorp as part of its "strategy to extend shareholdings to prestigious international partners."

Other international institutions holding IRI stakes include Daiwa Bank of Japan with 1.5 per cent, the Kuwaiti government pension fund Public Investment Fund (PIF) with 1.5 per cent, and Kredietbank of Luxembourg with 2.9 per cent.

IRI said it would also ask shareholders to approve an increase in the number of directors on the board to provide for representation from Citicorp and PIF.

Turning to the capital operation, IRI said it would issue a combination of ordinary and savings shares both with and without warrants. The new shares would be issued on the basis of five new shares for every 25 in hand of the same category at a price of L5,600 for ordinary shares and L3,300 for savings shares. Every five new shares would carry a warrant for an additional share of the same category.

Istituto Finanziario Industriale (IFI), another important Agnelli financial holding which controls 52 per cent of IRI, said it would fully subscribe to its portion of the capital increase. Milan merchant bank Mediobanca has agreed to organise subscription to the rest of the increase, IFI said.

Enimont SpA made a profit of between L700m and L800m in 1989, its first year of operation, said Gabriel Cagliari, chairman of state energy group Ente Nazionale Idroelettrico (ENI) which holds a 40 per cent stake in the chemicals company. Reuter reports from Rome.

Turkey obstructs sale to French cement group

By George Graham in Paris

TURKEY'S administrative court has ruled against the sale of five state-owned cement works to Ciments Français, the French cement group.

The court ruled that the sale contravened the terms of a 1987 decree on privatisation, which gave priority to domestic buyers, and upheld a suit from opposition members of parliament seeking the cancellation of the privatisation.

Ciments Français said, however, that the sale itself had not been cancelled, since the administrative court had no authority to cancel a private contract; only the government resolution authorising the sale was cancelled.

The French company said it had filed an appeal against the judgment to the Turkish council of state.

Ciments Français agreed last September to buy the five works for a total of \$105m. It has already paid \$85m of this, as agreed, and taken over management of the plants, besides beginning on an ambitious investment programme agreed with the Turkish Government as a condition of the sale.

The company, which made FF1bn (\$174m) net profits last year on sales of FF12.5bn, has also recently expanded its interests in Turkey through the creation of a joint venture engineering company with a subsidiary of Citosan, the state engineering group, the purchase of 60 per cent of Anadolu Cimento, a private sector cement works near Istanbul, and the acquisition of Betoys, a producer of industrial concrete components.

Danish insurer moves to block rivals' influence

By Hilary Barnes in Copenhagen

TOPDANMARK, Denmark's third largest insurance group, is adopting a corporate structure specifically designed to prevent competitors from obtaining a big enough minority shareholding to block corporate decisions.

The group also announced a collaboration agreement with Swedish insurer Wasa in order to strengthen the position of the groups in Europe.

Wasa will obtain a 5 per cent equity holding in Top as part of the deal. Aided by good weather, Topdanmark increased net profits from DKr302m (\$46m) to DKr442m in 1989, when the result on primary operations increased from DKr137m to DKr345m and the capital gain on securities slipped from DKr165m to DKr97m.

Earnings per share were up from DKr138 to DKr231 and return on equity rose from 19 to 21 per cent.

The collaboration with Wasa comprises joint product development, technical development and joint marketing, and a

joint development and investment company, which will have an initial capital of DKr100m.

"Joining forces will give us far greater opportunities to establish a profile as attractive working partners in the new structural framework taking shape in Europe," said Mr Henning Birk, Top's chief executive.

Danish competitor Tryg Insurance has built up a shareholding in Topdanmark which is close to the level at which it could be used to block a decision to increase capital. "We will not allow competitors to place a stranglehold on our activities," said Mr Birk.

The group's parent company, Topdanmark, will be converted into a formal holding company and a parent company will be established with a controlling interest in the former parent. The change will not affect the status of the 310,000 shareholders but it will prevent big shareholders exerting an adverse influence, said Topdanmark.

NEWS IN BRIEF

Stake in La Générale 'may be sold'

By Our Financial Staff

MR Carlo De Benedetti, the Italian financier, is mulling a scheme to sell his 15.4 per cent stake in Société Générale de Belgique (La Générale), the Belgian industrial holding company, according to a Belgian newspaper.

L'Echo de la Bourse, a French-language Belgian daily, said the De Benedetti stake would be broken into three portions of 5 per cent each and sold to Japanese and West German investors.

The report said the Sumitomo group of Japan was one possible buyer, but did not say who the other investors may be.

La Générale made no comment on the report. A spokesman for Mr De Benedetti said he had regularly stated his intention of selling his stake.

Mr De Benedetti has maintained that he would not sell his stake on the open market, or without consulting other shareholders.

He has also said he regarded La Générale as a good long-term investment, and thus would wait until it was financially advantageous to dispose of his stake.

The first Aktien Gesellschaft (AG), or joint stock company, was formed in East Germany as VEB Elektromaschinenbau Dresden changed its ownership structure and name, the East German state-owned news service ADN reported.

The electrical machinery company is now called VEM-Antriebsstechnik AG and has paid-in capital of 500m Marks, ADN said. VEM acts as a holding concern for 15 subsidiaries, which are set up as companies with limited liability. All shares of VEM will belong to the East German agency for trustee management of public property as long as there is no legal basis for a public stock offering, ADN quoted Mr Reiner Rübner, VEM Chairman as saying.

Union de Transports Aériens (UTA), the French airline group, said its consolidated net profit for 1989 fell to FF243m from FF749m in 1988.

This announcement appears as a matter of record only.

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ACCOR
A HOTEL, CATERING
AND SERVICE COMPANY

ACCOR : 1989 - AN EXCELLENT YEAR

At their meeting on March 30, 1990 the Board of Directors of Accor, presided over by Messrs DUBRULE and PELISSON, finalised their results.

IN FF MILLIONS	Year 1988	Year 1989	in %
• Total sales managed	16,395.3	19,919.1	+ 21.5
• Group share of net income, excluding exceptional items	469.5	606.1	+ 29.1
• Exceptional items (net)	101.3	130.4	+ 28.7
• Cash-flow	1246.0	1683.4	+ 35.1
• Net earnings per share (1)	F 29.22	F 34.94	+ 19.6

(1) Based on the average number of outstanding shares during the year

- Since 1983, the year ACCOR was founded, the annual average increase in total sales has been 16.1% and earnings 36.8%, while stockholders equity has increased by a factor of 8.2.
- Net pre-tax earnings compared to consolidated sales rose to 10.1% in 1989 compared to 4.2% in 1983.
- The increase in net profit for the year is due mainly to :
 - an excellent year for tourism in Europe in a favourable economic climate which resulted in a significant increase in occupancy rates and turnover throughout the Accor Group's hotel chains (Sofitel, Novotel, Mercure, Ibis/Urban, Formule 1) and an increase in the number of customers for the Group's restaurants (L'Arche, Meda's, Boeuf Jardinier, Courte-Paille, Lenôtre...);
 - the acceleration in activity of the Group's more recently developed European hotel subsidiaries;
 - the fine performance of the service voucher sector (Ticket Restaurant) in virtually each of the 12 countries where this product has been made available - a situation which confirms ACCOR as the world leader in this activity, with more than 4.2 million daily users.

DIVIDEND

The Board of Directors will recommend that the annual Shareholders Meeting declare a dividend of FF 12.50 per share plus a tax credit of FF 6.25 as opposed to FF 10.50 and a tax credit of FF 5.25 in 1989 (+19.0%). The Board will also recommend that the dividend, which will be payable on July 2, 1990, be paid by a stock distribution at a value equivalent to 90 % of the average opening quoted prices during the last 20 stock market sessions preceding the Annual General Meeting.

DEVELOPMENT AND PERSPECTIVES
IN 1989

- In the hotel sector 109 new hotels with 10,800 rooms were opened and at the end of the year, 856 hotels (98,995 rooms) were operated or under construction.
- 340 new restaurants representing a mix of commercial outlets as well as institutional catering establishments brought the total number of restaurants in operation to 2,712.
- More than a million new users per day were added to those already benefitting from ACCOR service vouchers, raising the total value of vouchers issued annually from FF 8.9 billion to nearly FF 12 billion.
- At the end of 1989 the Group employed 66,000 people.

FOR 1990

- Continued growth is planned with more than 120 hotel openings representing 12,000 rooms scheduled, mainly in Europe (Italy, the U.K., Spain and France) and the Far-East, new restaurants (principally Pizza del Arte, L'Arche and Boeuf Jardinier), the introduction of service vouchers into new countries and an increase in the number of institutional catering contracts.
- Target earnings for the Group's share of consolidated net income is FF 806 million, an increase of 33 % over 1989, representing FF 41.00 per share - 17.4 % more than in 1989 - after taking into account the capital increase of FF 1.9 billion at the beginning of 1990.

INTERNATIONAL COMPANIES AND FINANCE

Circle K negotiates six-month respite to allow reorganisation

By Karen Zagor in New York

CIRCLE K, the second biggest US convenience store chain which has been on the brink of filing for bankruptcy protection, has reached an agreement with its creditors which will give it a seven-month respite in which to reorganise.

The Phoenix, Arizona-based company has signed a preliminary agreement with senior creditors and its largest shareholder for a moratorium on debt until October 31 or successful completion of the company's financial restructuring, whichever comes sooner.

The company's troubles stem from an aggressive expansion programme, when it quadrupled its store-base during a six-year period.

The expansion was financed mainly with debt, and Circle K now has more than \$1.1bn of long-term debt. Furthermore, the increasingly competitive environment in the US convenience store market has cut into its earnings.

The company recently reported a third quarter loss of \$28.1m or 69 cents a share, compared with net profits of \$12.8m or 22 cents the previous year.

Shares in Circle K, which

have traded as high as \$18 a share, yesterday gained \$4 to \$14 at midday on the New York Stock Exchange.

The agreement is among the company's banks, a steering committee for holders of its \$200m senior secured notes and American Financial, a substantial creditor and Circle K's largest shareholder with a 38 per cent stake.

During the seven-month interim period, the banks, note-holders and American Financial will defer all principal and interest payments and waive any existing defaults under current loan agreements.

The prospective accord gives the banks the right to veto all interest payments on Circle K's \$500m of subordinated debt.

Circle K has agreed to acquire at least 90 per cent of its subordinated debt by the end of October, although the terms of the company's offer to acquire the debt have not been determined.

The company believes it will have sufficient liquidity to meet its trade credit obligations within seven months.

The standstill agreement is subject to final documentation and approval of noteholders.

Chartwell partnership raises Avon stake to 16%

By Karen Zagor

CHARTWELL Associates, a partnership of the Getty and Fisher families, has increased its stake in Avon Products, the world's biggest maker of cosmetics and toiletries, from 10 to 16 per cent of the company's common stock.

Avon has been a takeover target since last May. The company recently settled a pending proxy fight with Chartwell, whereby Avon agreed to nominate two Chartwell representatives to its board and to form a committee of directors to look at ways to "maximise" shareholder value.

The settlement with Chartwell prompted speculation

that Avon may go private or undergo restructuring.

Chartwell, whose investors include the Fisher real-estate family of New York, Mr Gordon Getty, the oil heir, and Mary Kay Corporation, a door-to-door cosmetics company, made the disclosure in a filing with the Securities Exchange Commission. Chartwell's previous 10 per cent of Avon's common stock represented about 7.5 per cent of Avon's voting shares.

Avon has been improving its balance sheet since last May, when Mr Irwin Jacobs, the corporate raider, bid \$41 a share or \$2.2bn for the company.

Laidlaw up 43% thanks to strong waste units

By Bernard Simon in Toronto

A STRONG performance by chemical waste management subsidiaries helped Laidlaw, the Canadian waste management and school bus group which is a sizeable shareholder in ADT, the British security and vehicle auction company, lift earnings by 43 per cent in the three months to February 28.

Net income jumped to C\$60.3m (US\$51.7m) from C\$42m a year earlier. The increase per share, from 21 cents to 24 cents, was modest, making it difficult for Laidlaw to achieve its target of a 25 per cent annual improvement in per-share earnings.

Revenues advanced to C\$440.4m from C\$326.3m.

For the first six months, Laidlaw's income climbed to C\$121.5m or 51 cents from C\$84.9m or 43 cents while revenues moved up to C\$864.3m from C\$677.5m.

Mr Michael DeGroot, Laidlaw's chief executive, said yesterday that ADT, in which Laidlaw has a 27.6 per cent stake, contributed about one-fifth of total profits.

He added that Laidlaw was not affected by ADT's preferred share issue, announced earlier this week, to refinance its interest in BAA, the British airports company.

The figures include two months' contribution from Tricel, a Canadian waste management company which Laidlaw took under its wing in January.

Tricel made no contribution to the bottom line, with its earnings offset by financing costs for the \$132m acquisition. Earnings from school bus operations were lower than expected, largely because of continuing difficulties in hiring employees in a tight labour market.

By contrast, chemical and solid waste management operations performed strongly, thanks largely to price increases, cost controls and measures taken to dovetail new acquisitions into Laidlaw's operations.

MiniScribe anticipates added drive from Maxtor

Louise Kehoe on a welcome sale after a fraught year

A BANKRUPTCY court in Colorado has approved the sale of MiniScribe, the struggling US disk drive manufacturer, for \$46m to Maxtor, another disk drive company based in California.

The sale will allow Standard Chartered Bank, MiniScribe's largest secured creditor, to recoup part of the \$110m in loans it issued to MiniScribe over the past two years. Last month the bank set aside reserves of \$80m against potential losses on the loans. However, unsecured creditors of MiniScribe, including several suppliers, as well as its shareholders, may go empty-handed.

Maxtor's bid for MiniScribe was one of two entered at a court auction of the company's assets held in Denver, Colorado on Wednesday.

Maxtor will pay \$21.5m in cash and \$20m worth of stock. In addition the bank will receive \$4.5m in cash and receivables from MiniScribe's Hong Kong and Singapore manufacturing operations.

Maxtor outbid Western Technology of Singapore which attempted to acquire only the Singapore and Hong Kong operations.

Maxtor, a supplier of disk drives to computer workstation manufacturers, sees the acquisition as an opportunity to expand into the personal computer segment.

Maxtor plans to operate MiniScribe as a wholly-owned subsidiary. "Our intention is to move swiftly and surely to

rebuild the business of MiniScribe," said Mr George Sealise, Maxtor's president and chief executive. "We strongly believe in the MiniScribe team and products and expect their complementary customer (base) and markets will further strengthen our industry leadership position."

The Maxtor acquisition ends a year-long struggle for survival at MiniScribe following an episode which resulted in allegations of fraud and gross mismanagement against former executives.

MiniScribe's problems first surfaced in February last year when the company's chairman and chief executive resigned after announcing unexpectedly poor financial results, prompting the first of a series of shareholder suits.

Mr Richard Rifenburgh, MiniScribe's current chairman, was brought in to return the company to profitability.

The magnitude of MiniScribe's problems became evident, however, when the company published the results of an internal investigation which uncovered, it alleged, evidence of financial irregularities amounting to fraud aimed at inflating the company's financial results.

MiniScribe said its financial results for the past three years "could not be relied upon."

Former MiniScribe executives have denied any wrongdoing.

In an attempt to revitalise the company, a new management team installed by Mr

Rifenburgh, narrowed MiniScribe's product line to focus on the high-growth lap-top computer industry.

But MiniScribe faced overwhelming odds. "The financial adjustments resulting from the fraud and the need to establish reserves for the termination of older technology products, severely limited working capital availability and destroyed 1988's previously reported profitability," MiniScribe said.

At the same time, the potential for legal damages from shareholder suits prevented the company from raising capital to increase production of its most promising products.

On January 1 MiniScribe sought the protection of the bankruptcy court and began in earnest to seek a buyer.

MiniScribe employees in the US welcomed the Maxtor acquisition, which they hope will secure their jobs after a period of great uncertainty.

Commenting on the sale, Mr Rifenburgh said: "This has been a long and difficult year for our management team. They have performed in an exceptional manner under very adverse conditions. While I am sorry to see the team breaking up, they can look back on a job well done."

Still to be resolved are the allegations of fraud. The issues are believed to be the subject of a secret Federal Grand Jury criminal investigation. No charges have been filed.

Delta warns of fall due to weak demand

DELTA Air Lines, the third largest US carrier, warned it would report sharply lower fiscal third-quarter profits because of weaker demand for leisure travel and passenger resistance to higher fares, writes Boderick Oram in New York.

In addition Delta had difficulty in matching its load fac-

tor of March last year when its home hub of Atlanta picked up traffic in the first few weeks of the Eastern Air Lines' strike.

Longer term, Delta should retain much of its increased share in the Atlanta market, analysts said.

For the fiscal third quarter ended March of last year, Delta reported net profits of \$85m or

\$1.73 a share, on revenues of \$2.03bn.

Mr Thomas Roeck, chief financial officer, told analysts' meeting that average revenue per passenger mile would increase modestly during this financial year but the increase in revenues in the latest quarter were more than matched by higher fuel costs.

BNE to cut workforce by 33%

By Martin Dickson in New York

BANK of New England, the Boston-based bank crippled by the real estate crisis, is to cut 3,500 jobs - one third of its workforce - by the end of the year as part of a drastic retrenchment programme.

The bank said that the job losses were part of a new strategic plan, to be unveiled next week, which would cut operating costs and concentrate resources on its main businesses.

Personnel reductions, asset disposals and other measures were expected to reduce annual operating expenses by about \$300m when fully implemented, the bank said.

Mr Masaru Kakutani, an analyst with Moody's Investors Service, said that while the job cuts would help the bank in the medium- to long-term, its

most critical period would be over the next few weeks as more details emerged of its non-performing asset figures.

The bank announced a \$1.1bn loss for 1989 in late February and total non-performing assets of \$2.3bn, some 9.5 per cent of all loans and leases. In a filing yesterday with the Securities and Exchange Commission it forecast that non-performing assets would increase in the first quarter of this year, but did not specify the likely size.

About 1,700 jobs will go immediately, and the bank said that most of the remainder would be cut through attrition, consolidation of units or asset sales.

The cutbacks follow a wholesale review of operations by Mr Lawrence Fish, the bank's new

chairman, who took over in March following the dismissal of Mr Walter Connolly, the previous head.

Mr Fish said yesterday it was essential the cuts be made now "to assure our future viability and our ability to rebuild as a stronger, although smaller, Bank of New England."

Under the new strategy the bank will concentrate on consumer banking, trust and private banking, and middle market, small commercial and real estate lending. Areas to be cut back or eliminated include large corporate banking outside New England, leasing and discount brokerage.

The capital plan could also include the sale of BNE's Maine and Rhode Island subsidiary banks.

REPUBLIC OF ICELAND £2,000,000 8 1/2 PER CENT STERLING LOAN 1983/92

HAMBROS BANK LIMITED hereby give notice that in accordance with the terms and conditions of the above loan, the redemption (or 1st June 1992) has been effected by the drawing of the undermentioned bonds amounting to £100,000 (nominal). The outstanding balance after the 1st June 1992 redemption will be £200,000 (nominal).

The Drawn Bonds may be presented to Hambros Bank Limited, 41 Tower Hill, London EC3N 4AH, or to the other Paying Agent named on the Bonds.

Bonds surrendered should have attached all unstamped coupons appertaining thereto. Coupons due 1st June 1990 should be detached and collected in the usual manner.

For payment in London, Bonds will be received on any business day and must be left three clear business days for examination.

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Compagnie Générale d'Électricité

At its April 4, 1990 meeting, the Board of Directors of Compagnie Générale d'Électricité (CGE) chaired by Pierre SUARD, closed the accounts for fiscal 1989.

The CGE Group achieved consolidated net income of FF 6,955 million for the year on sales of FF 143.9 billion, an increase of 68% over the 1988 figure.

This performance yielded an income-to-sales ratio of 4.8% as compared to 3.2% in 1988. This growth was primarily generated by further improvement in subsidiaries' profitability while changes in accounting methods related to the creation of GEC Alsthom NV - a contribution of FF 1 billion (0.7% of sales) - accounted for the remainder.

Net income excluding minority interests amounted to FF 4,937 million, an advance of 129%. Despite a substantial dilution of capital stock subsequent to the absorption of Alsthom and of Compagnie Financière Alcatel by CGE and the resulting 43% increase in the number of shares outstanding because

CGE
CONSOLIDATED NET INCOME UP 68 %
TO 7 BILLION FRANCS

of new shares issued during the year, net earnings per share amounted to FF 51.40. Excluding the effects of changes in accounting methods, net earnings per share would be FF 40.60, an increase of 26%.

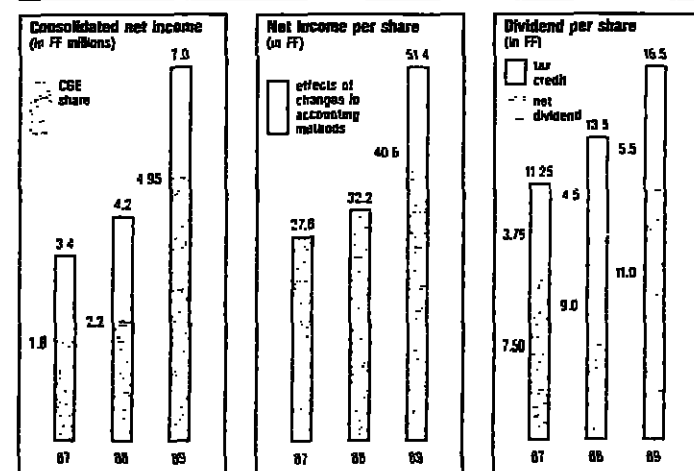
Parent Company net income rose to FF 1,934 million in 1989 as compared to FF 1,257 million for the previous year, an increase of 54%.

The Board decided to propose that the General Shareholders' Meeting declare a total dividend of FF 1,128 million to be paid out on the 102,545,292 shares comprising the Company's capital at December 31, 1989, an increase of 74% over the FF 646 million paid for 1988. The total dividend corresponds to a per share dividend of FF 11 excluding the tax credit, or a total yield per share of FF 16.50 including the tax credit, as compared to a FF 9 net dividend and a total yield of FF 13.50 for 1988. This dividend will be payable as of June 30, 1990. The Board decided to propose that the Shareholders' Meeting offer shareholders the option of receiving stock in payment of the dividend.

The Board of Directors decided to convene the Annual Shareholders' Meeting to approve the 1989 accounts on June 26, 1990 at 2:30 p.m. at the Palais des Congrès in Paris.

The Board appointed a new Director, Umberto Ferroni, Chairman of Alcatel France, the Alcatel NV Italian subsidiary, and will propose that the Shareholders' Meeting approve this appointment.

Consolidated Financial Highlights (in FF millions)			1989	1988
Sales	143,897	127,958		
Income from operations (including net interest)	10,956	8,329		
Net income from current operations	5,179	3,447		
Consolidated net income	6,955	4,152		
- Minority interests	2,018	1,994		
- CGE share	4,937	2,158		
Shareholders' equity and minority interests after appropriation	36,489	29,648		
- Shareholders' equity	27,274	17,878		



The Board decided to propose that the Meeting approve, effective January 1, 1991, a new corporate identity

ALCATEL ALSTHOM
COMPAGNIE GÉNÉRALE D'ÉLECTRICITÉ

in order to bring to the forefront the Company's industrial and operational profile by adopting the names of its principal subsidiaries. From this date, the Company will be identified by its complete new name or by the abbreviated name

ALCATEL ALSTHOM

The Board furthermore approved enhancing the cooperation between CGE and Dumez through a redistribution of their respective interests in the nuclear and electrical equipment distribution sectors. Before the end of the month, CGE and Dumez will undertake an exchange of shareholdings in these two sectors designed to strengthen the position of each group in its specific sector of activity.

Finally, the Board of Directors approved the principle and terms of a convertible bond issue in the amount of some FF 5 billion which could be floated in the near future, and which would include two tranches, one reserved on a priority basis to shareholders, the other to be placed on the international market. The details of this issue will be published at the time of effective launch.

The Board of Directors declared that it was favorable to the absorption of Compagnie Électro Financière by Générale Occidentale, an operation which was approved in principle and made public this day by the Boards of Directors of the two companies concerned.



1989-A YEAR OF OUTSTANDING ACHIEVEMENT



"Despite a less than favourable economic background the outlook for the North of England Building Society has never been brighter. I am confident that our financial strength allied to the high quality of our Management will enable us to play our full part as a major regional building society during the next decade and beyond."

Ronald Shiel - Chairman.

Assets reached £759.56m an increase of 25.85%

Record pre-tax profit of £11.70m an increase of 43.38%

Record post-tax profit of £7.55m an increase of 44.36%

Record mortgage lending of £205.01m an increase of 84.36%

Record net retail investment receipts of £61.72m an increase of 75.74%

General reserve of £42.56m an increase of 21.12%

Liquid assets of £130.04m being 17.12% of total assets



Principal Office: Fawcett Street, Sunderland SR1 1SA.
Telephone 091-565 6272

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INTERNATIONAL COMPANIES AND FINANCE

Evolution of Sweden's state industry

Robert Taylor on the strategy of partial privatisation to dilute public ownership

The sudden emergence of political opposition in Sweden's Parliament to Volvo's proposed big deal with state-controlled Procordia for the creation of a new food and pharmaceuticals giant underlines the difficulties of the Government's current industrial strategy of partial privatisation.

Sweden's small state industry sector is being restructured by the ruling Social Democrats in the further evolution of a successful strategy that transformed its commercial performance during the 1980s.

Mr Rune Molin, Sweden's Industry Minister, wants to create a new state-controlled holding company which will cover the industrial enterprises in the public sector.

But this is no backdoor route to extended nationalisation. Nor does it represent a return to the corporatist days of the state-controlled holding company, the Statsforetag, established in 1970 as the lynchpin of the country's industrial strategy.

On the contrary, Mr Molin's proposal is a natural step in the Social Democratic programme designed to dilute public ownership through a process of partial privatisation first begun by the party on its return to power in 1982.

Under the proposals, the state will be able to reduce its controlling interest in any of the holdings where it still holds a majority of shares to 50 per cent without needing to secure prior parliamentary approval.

The new investment company will cover the existing state-controlled enterprises with a combined share value of SKr25bn (\$4bn).

While 85 per cent of the holding company itself will be owned by the state, the remaining 15 per cent is to be sold off in the

form of convertible loans to institutions like the public pension and wage earner funds.

"We want to create a better management of state companies," explains Mr Molin. "We also want to strengthen their capital base by going out into the market." This means the new company will be able to acquire a portfolio of shares in private companies.

Mr Molin, former deputy head of the LO, Sweden's blue-collar union confederation, has only been industry minister since January, but has already

turned FFV, the 100 per cent state-owned company mainly involved in defence, into a limited company in the autumn. It will then join the others under the umbrella of the new enterprise. He emphasises that a degree of privatisation for FFV will enable the Swedish defence industry to survive more effectively in the 1990s.

Three smaller businesses - Sveriges Geologiska AB (SGAB), Cementsa and SIB Invest - will also be covered by the new holding company.

The main reason for the turnaround has been the government's commitment to make the state industry sector financially viable and competitive through a gradual step by step strategy involving the partial privatisation of public ownership, structural rationalisation and cost efficiencies.

The state reduced its holding in the SSAB steel group to 53 per cent from 75 per cent in 1986, for example, and then last year while retaining a majority of voting shares in the concern, cut its share capital down

stock market in the autumn of 1987 in what was then the biggest transaction of its kind. Last year its sales totalled SKr20.569bn and post-tax profits totalled SKr2.282bn. Under the proposed deal, with Volvo signed last December, the state ownership of Procordia will fall to about 33 per cent of the capital and 45.5 per cent of the voting shares.

There is now the prospect that FFV, Celisius and LKAB will also enjoy the benefits of a more mixed form of ownership. Mr Molin would like to see the revitalised semi-state industry sector playing a more active strategic role as a catalyst for structural change across the Swedish industrial scene.

Other proposals in his new industrial strategy include: the creation of six regional based risk capital companies which will receive up to SKr1.8bn from public funds to contribute to the development of small and medium-sized enterprises; SKr6bn on transport infrastructure improvements; a regional policy designed to concentrate support; and SKr150m to be spent on technical developments in industry.

In Mr Molin's view Sweden needs a national industrial strategy to meet the increasing internationalisation of business. His desire for a more coordinated, coherent approach from the centre is understandable, but to many Swedish employers it smacks of the old corporatist attitudes that are no longer fashionable.

Their feelings may be misplaced, for the Molin policy is no break with the past, but goes with the grain of Sweden's commitment to the mixed economy and the need to blend public and private ownership in the country's industrial restructuring.

SWEDEN'S STATE INDUSTRIAL SECTOR					
SECTOR	STATE SHARE (%)	PROFITS (\$K m)	TURNOVER (\$K m)	WORKFORCE	
	Equity	Votes			
NCB	51	82	271	4.02	3,751
SSAB	40	50.2	1,146	13.25	12,801
Assi	100	100	466	6.22	7,186
LKAB	100	100	192	6.24	5,821
FFV	100	100	251	4.88	10,357
Celcius	100	100	10	8.88	10,384
Procordia	33	41	1,991	18.22	27,834

given industrial issues a much higher priority than they have had since the early 1970s.

Sweden's existing state industry sector remains modest by western European standards, with its main interests now concentrated in forestry, steel, mining and consumer products. It employs no more than about 100,000 workers and its contribution to the gross national product remains extremely low.

The six main concerns covered by the holding company will be the forestry group NCB; the steel concern SSAB; the packaging company Assi; the mining enterprise LKAB; and two larger conglomerates - Celcius, with its core in marine related activity, and Procordia, specialising in consumer products.

Traditionally the Social Democrats have never made the state ownership of industry a main component of their ideology, at least not since the 1920s. Indeed, it was during the years of non-Socialist government between 1976 and 1982 that the biggest increase in direct state intervention took place, mainly to prop up sectors in crisis like shipbuilding, steel and textiles.

As a result, 10 years ago the state industry sector had become a severe drain on the public funds, with accumulated losses of nearly SKr3bn in 1981 alone. By 1989, however, its performance had been transformed. All the state-owned companies are now making a profit - though some of only a small amount - which totalled SKr4.718bn two years ago.

still further to 40 per cent before its stock market flotation last summer.

The state forestry company NCB was floated on the stock market in 1988 and now the state retains 54.5 per cent of its share capital and 62.4 per cent of the voting rights.

The most significant transformation has taken place in Procordia, the former Statsforetag, which only paid a dividend twice in its first 10 years of operation. With the introduction of a new core business strategy in 1984, the company pulled out of its loss-making activities in mining, steel, forestry and textiles and concentrated on building up its strength in consumer products like pharmaceuticals, tobacco, beer, food and hotels.

Procordia was floated on the

Israel Aircraft Industries out of the red

By Hugh Carnegie in Jerusalem

STATE-OWNED Israel Aircraft Industries (IAI), the country's biggest company, returned to profit in 1989 after having been dealt a severe blow three years ago when the Government cancelled a jet fighter project.

The turnaround was announced shortly after the successful launch of Israel's second satellite, powered by an IAI Shavit rocket and developed jointly with the Israel Space Agency. IAI executives said the results showed the company, a mainstay of Israel's big defence sector, was successfully adapting both to the sharp decline in domestic defence demand and slackening military markets abroad.

They announced a net profit of \$11.8m after a \$21.2m loss in 1988. Sales were up more than 20 per cent to \$1.26bn. IAI was thrown into reverse in 1987 when the Government halted plans to build a home-grown jet fighter called the Lavi. The company had sunk \$1.6bn into the project and test-flown two prototypes. The loss of its core programme prompted a traumatic rethink of strategy.

The company was forced to slim down and redirect its efforts to export markets and civilian products. Since 1987, the workforce has been cut to 16,600 from more than 22,000. Management was restructured, breaking the company into independent aircraft, electronics, technologies and aviation service divisions.

Emphasis was placed on developing civilian applications of activities, such as aircraft maintenance and conversion, and products such as its unmanned air reconnaissance vehicles. Civilian sales now account for more than 20 per cent of turnover, compared with 10 per cent a decade ago. Exports have risen sharply to 80 per cent of sales.

Last year, IAI spent \$45m on research and development and has recently raised \$70m in syndicated loans in the US and Europe to help fund product development. Its continued strategic importance to national security prevents IAI from being included in the Government's privatisation programme, but a minority

stake in Elita, its profitable electronics subsidiary, is due to be put up for sale.

Heavy losses in the Uran military products division helped restrict IAI Industries, Israel's biggest privately-owned conglomerate, to a marginal profit in 1989. IAI, which has other activities covering textiles, electronics, insurance and construction, reported an inflation-adjusted net profit of \$131m (\$505m), an improvement on 1988 when losses ran to \$142m. But a loss of \$140m at Urdan, hit by falling demand at home and abroad, prevented a stronger recovery. Group sales were \$1.44bn, of which exports totalled \$500m.

Bridge Oil profit falls by a third

By Bruce Jacques in Sydney

HIGHER interest charges and losses on its African diamond mine have forced Bridge Oil, the diversified Australian petroleum producer, to report a one third earnings fall for 1989.

Equity-accounted net profit fell by almost 33 per cent to \$116.7m (\$112.7m) last year from \$174.9m, in spite of a near doubling of sales revenue to \$1.125.9m from \$583.2m. The dividend has again been passed.

The company's interest bill jumped to \$31.6m from \$18m, mostly reflecting the purchase of a US subsidiary. But directors said 85 per cent of the purchase price had since been repaid.

Directors said Bridge's share of the Aredor diamond project in Guinea was \$48.3m, due mainly to lower quality production and a 15 per cent price fall in the type of diamonds produced.

This announcement appears as a matter of record only.

March, 1990



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a division of

The Black & Decker Corporation

The undersigned initiated this transaction and acted as exclusive financial advisor to United Machinery Group Limited.



Bankers Trust Company

This announcement appears as a matter of record only.

March, 1990



United Machinery Group Limited

Acquisition of

EMHART FOOTWEAR MATERIALS

a division of The Black & Decker Corporation

\$105,000,000

Senior Loan Facilities

Underwritten by

Bankers Trust Company

Lloyds Bank plc

Funds provided by

Bankers Trust Company

Bank of America NT&SA

Lloyds Bank plc

The Long-Term Credit Bank of Japan, Limited

The Nippon Credit Bank, Ltd.

Barclays Bank PLC

Arab Bank Limited

ASLK-CGER Bank

BHF - BANK

Crédit Agricole

Crédit National

London Branch

London Branch

Österreichische Länderbank

The Mitsui Taiyo Kobe Bank, Limited

London Branch

Deutsche Bank Aktiengesellschaft

Kansallis Banking Group

London Branch

\$15,000,000

Mezzanine Loan Facility

Underwritten by

Bankers Trust Company

Funds provided by

Bankers Trust Company

County NatWest Limited

Intermediate Capital Group Limited

The undersigned arranged and syndicated this transaction.



Bankers Trust Company

SA rights offer

ANGLOVAAL, the South African industrial and mining group, is to raise R822.1m (\$93.3m) via its rights offer. Reuter reports from Johannesburg it said it would offer 30 N class shares at R490 each for every 100 ordinary or N ordinary shares held.

DIVIDEND NOTICE #10

NOTICE is hereby given that the Board of Directors of Agnico-Eagle Mines Limited has declared a dividend of 10¢ (U.S. funds) per share payable on May 1, 1990 to shareholders of record April 3, 1990.

Dated this 3rd day of April, 1990
Sean Boyd
Secretary-Treasurer



AGNICO-EAGLE mines limited

EXTECAPITAL LIMITED

US \$ 100,000,000
Perpetual Subordinated
Increasing
Margin Floating Rate
Notes

In accordance with the provisions of the Notes, notice is hereby given as follows:

- * Interest period: 5th April, 1990 to 5th October, 1990
- * Interest payment date: 5th October, 1990
- * Interest rate: 9.27% per annum
- * Coupon amount: US \$ 47,122.5 per note of US \$ 1,000,000.

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Agent Bank

BankAmerica Corporation

(Incorporated in the State of Delaware)
U.S.\$400,000,000
Floating Rate Subordinated
Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified that for the next interest Sub-period from 9th April, 1990 to 9th May, 1990 the following will apply:

1. Interest Payment Date: 7th June, 1990.
2. Rate of interest for Sub-period: 8.5825% per annum.
3. Interest Amount payable for Sub-period: US\$38.77 per US\$50,000 nominal.
4. Accumulated Interest Amount payable: US \$746.35 per US\$50,000 nominal.
5. Next Interest Sub-period will be from 9th May, 1990 to 7th June, 1990.

Agent Bank:
Bank of America
International Limited

ABBEY NATIONAL PLC

(formerly Abbey National Building Society)
£42,000,000 Amortising Subordinated Floating Rate
Serial Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given as follows:

- * Interest period: 3rd April, 1990 to 3rd July, 1990
- * Interest payment date: 3rd July, 1990
- * Interest rate: 15.75% per annum
- * Coupon amount: £39,257.12 per note of £1,000,000.

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
AGENT BANK

Rumours of firms near bankruptcy denied

Late jump in Tokyo gives securities a needed boost

in Tokyo gives securities a needed boost

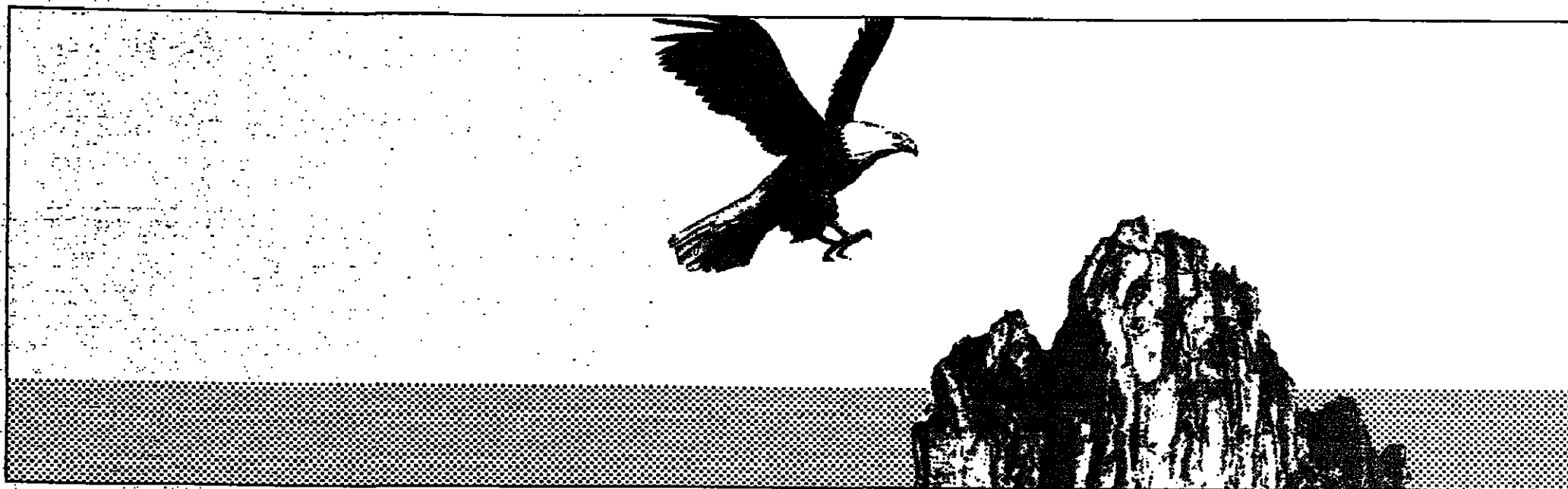
gives secur

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Treasuries fall on lower dollar and profit-taking

[illegible]



Tomorrow, there'll be even less room
at the top in banking.

Today, only a few institutions hold truly commanding positions. Tomorrow, there will be fewer still.

Bankers Trust understands what will be required of leaders. Of those institutions who will continue to command respect and trust worldwide.

Substantial capital, and the earnings to increase it.

High-quality assets—with the liquidity changing times demand. The ability to assess and manage risk.

An integrated global presence, not scattered outposts.

A full arsenal of product powers, to deal with an increasingly deregulated world.

The skills to compete on an efficient, lowest-cost basis. To exploit technology to its fullest.

And to attract outstanding people by providing an environment in which the best can thrive.

All of these criteria must be met by leaders. Our commitment to be among the leaders is unqualified.

Bankers Trust Company

Because today isn't yesterday.

UK COMPANY NEWS

Queens Moat rises to £62.4m and shares gain ground in weak market

By John Thornhill

QUEENS MOAT Houses, the hotels group which earlier this year won a £157m takeover bid for its rival, Norfolk Capital, announced a 48 per cent increase in pre-tax profits for 1989.

Profits expanded from £12.19m to £62.42m on turnover 75 per cent ahead at £409.4m (£234.4m).

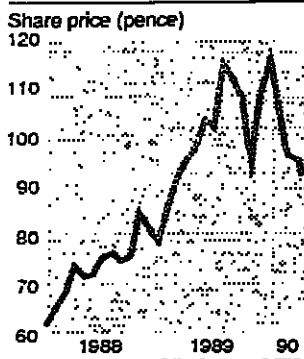
The results were much in line with the forecast made during the Norfolk bid, but the City was cheered by the group's optimism and pushed Queens Moat's share price up 4p to 92p in a falling market.

Mr John Bairstow, chairman, said the integration of Norfolk's hotels had gone very well. "We have had a lot of pluses out of the deal and the warmth of the management's response in the hotels was very good," he said.

The company was currently considering the future of Norfolk's interests in clubs, which Mr Bairstow said were "not Queens Moat's cup of tea." He said the St James's clubs in London, Paris and Los Angeles would either seek outside investors, be sold outright, or turned into hotels.

Since the start of 1989, Queens Moat had added 27 hotels, including 15 from Norfolk, and was currently building three new ones in Belgium and West Germany. This will take its total number to 163

Queens Moat Houses



with 18,154 rooms: at the beginning of the 1990s, it had 15 hotels with 983 rooms.

The annual property revaluation showed a surplus of £125m at £1.4bn, while assets per share rose from 108p to 125p. Following the acquisition of Norfolk, Queens Moat estimated that its net assets per share had risen to 129p.

Interest charges were substantially higher at £30.65m (£12.98m) although the tax charge was proportionately lower at £9.08m (£7.31m).

The final dividend of 1.22p brings the total to 2.38p (£82.4p). Fully diluted earnings per share worked out 25 per cent higher at 7.55p (6.03p).

Mr Bairstow was pleased to



John Bairstow: integration of Norfolk hotels had gone well

have ended the decade on a first class performance. The prospects for 1990 were very good, he added, and the outlook for the 1990s was excellent.

Norfolk revealed that its pre-tax profits in 1989 amounted to £5.5m (£5.34m) on

turnover of £53.2m (£43.8m). These results were not included in Queens Moat's figures. There was a £1.2m extraordinary charge for costs in connection with Balmoral International's proposals.

There is no final dividend as shareholders accepting the offer before April 30 will rank for the Queens Moat payment.

COMMENT

The leisure sector has had a bumpy ride of late as several companies - most notably Mecca and Carlton Communications - have delivered nasty surprises. That makes Queens Moat's results all the more reassuring especially as they were combined with an upbeat trading statement. Its occupancy rates during the year were buoyant as it reaped the rewards of its extensive refurbishment programme, and more solid growth seems on the way thanks to Norfolk Capital.

Mr Bairstow is convinced the acquisition will not dilute earnings although some analysts are not quite so sure. As long as the economy holds up, pre-tax profits might reach £100m enabling earnings per share to advance to about 9p and putting Queens Moat on a prospective multiple of 10. The shares are unlikely to move ahead fast given the doldrums affecting the sector but they still look a firm hold if not, as yet, an attractive buy.

BTR may raise its \$1.64bn bid for Norton

By David Owen

MR JOHN CAHILL, chief executive of BTR, has given the clearest indication yet that the industrial conglomerate might contemplate raising its \$1.64bn (£1.01bn) offer for Norton Company.

Interviewed by the Boston Globe newspaper, Mr Cahill said that corporate projections, available to potential minority investors, could show that a higher value was warranted for the Massachusetts-based abrasives, advanced ceramics and plastics manufacturer.

Analysts have estimated that the company could be worth up to \$80 a share, compared with the offer worth \$75 a share.

The comments come as BTR prepares to go to court to seek a ruling forcing Norton to restore its annual meeting to its originally planned April 26 date. Norton cancelled its meeting when it rejected the bid, calling a special meeting of shareholders for the election of directors on June 26.

A hearing is scheduled for today in Boston's US District Court.

BTR has never denied that closer scrutiny of Norton's position might bring to light information necessitating a reappraisal of its offer.

In his original letter to Mr John Nelson, Norton chairman and chief executive, dated March 16, Mr Cahill wrote: "We recognise that there may be values inherent in Norton which we are unable to perceive at this time without access to non-public information and the assistance of either Norton's board of directors, other members of management, or you."

Simon purchase

Simon Engineering has completed the purchase of Hipp Engineering, a Vancouver-based pulp and paper engineering design consultancy, for £316.5m (£28.6m).

Low-cost scheme to tempt the loyal small investor

John Edwards on S&N's personal equity plan

SMITH & NEPHEW, the healthcare group, is harnessing the government's personal equity plan (Pep) as a means of increasing the number of small investors and group employees buying shares in the company.

Under the special corporate Pep launched by the group this week, investors, including employees, will be able to buy shares in the group free of all dealing charges and stamp duty costs, while at the same time receiving any dividends or capital gains made tax-free.

Mr John Robinson, chief executive of Smith & Nephew, said the scheme was consistent with the group's policy of broadening its shareholder base to include more private investors and employees. They had already doubled the number of shareholders from 20,000 to 40,000, including over 50 per cent of employees in the group, since they considered this to be good for business.

There are already over 20 corporate Pep schemes including two of the water companies, Abbey National, Royal Insurance and several other big groups.

But the Smith & Nephew scheme breaks new ground in that the company will be issuing new shares, based on the stock market mid-price, and costs to investors will be kept to a minimum. There is no bid-offer spread to contend with and no management charge in the first year. In subsequent years the management charge will be restricted to only 0.5 per cent of the value of

the shares, and those wishing to sell their holdings will pay a low dealing commission (0.5 per cent) plus a £15 handling charge.

Mr Robinson admitted that the scheme would also raise capital for the group; most companies usually have authority to increase the share capital by 2.5 per cent a year without having to go back to shareholders. But that was not the main purpose. Under their Pep scheme, investors would be treated like normal shareholders and thus receive the annual report and accounts, and invitation to attend the annual meeting free of charge instead of being charged extra as was the case with many conventional Peps.

Mr Richard Cockman, chairman of management consultants, Cockman Consultants & Partners, which has set up a subsidiary company to manage corporate Peps on behalf of several companies, including Smith & Nephew, said they had seen a number of employee share schemes. But they were now being developed to include existing shareholders and new investors.

Many companies, he said, were concerned that private shareholders were getting a raw deal, with the high level of minimum share dealing commission, making it expensive to buy shares in individual companies.

Small shareholders tended to show more loyalty when a company hit difficult times, or was attacked by a hostile takeover bid, and putting them into

a corporate Pep, with tax-free benefits, would help lock them in even more.

He added that several other big groups planned to launch similar corporate Peps in the near future. So it looked as if the whole idea would steamroller ahead and provide a powerful boost to the government's campaign for wider share ownership. Last month Lomrho introduced a corporate Pep, via Henderson the investment group, which has already taken in some £550,000 mainly from existing shareholders. Mr Rob Braber, Lomrho group pensions director, said it was not a cheap way of buying shares in the same way as the Smith & Nephew scheme, since they were bought in the normal way. But it seemed an ideal way of helping shareholders to help themselves and the response had been very favourable.

However, Mr Keith Lancaster of Eagle Star, which pioneered two corporate Peps very similar to the Smith & Nephew scheme, in 1987, said they had proved to be somewhat of a disaster. The first corporate Pep, offered to 130,000 shareholders and 25,000 staff in the BAT group, had been taken up by only 1,000 shareholders and had been discontinued as a result of the poor response. Another corporate Pep for estate agents, Hanover Druce, launched at the end of 1987, had fared even worse with only nine participants, possibly because it had coincided with the October 1987 stock market crash.

Swedes lift Chloride stake to 11.05%

By Nikki Tait

Mercurius, the Swedish investment company, has lifted further its holding in Chloride, the UK battery group, to 11.05 per cent.

The stake-building has been underway since January, and the Swedes have consistently declined to comment on the holding.

Chloride, which this week issued a profit warning, has said that it is willing to meet its new shareholder, but maintains that there has been no response.

Camford board surrender entitlements

By David Owen

THE BOARD of Camford Engineering, the motor components group under threat from a \$68.8m bid from Markheath Securities, has surrendered entitlements to payments of at least £3.8m.

The payments, contained in service agreements, entitled eight Camford directors - including Mr Brian Cox, chairman and Mr Dennis Keech, chief executive - to five years' salary and other benefits in the event of a bidder acquiring 30 per cent of the group's shares.

The decision to drop the possible payments followed further pressure from Markheath, the UK investment vehicle of

Adelaide Steamship, the Australian industrial and retailing conglomerate.

The Australian-controlled group exposed the existence of the service contracts last month and yesterday repeated its assertion that the payments were excessive and against shareholders' interests.

Markheath has accumulated a 29.96 per cent stake in the Stevenage-based company over two years. As at the first close, it had received bid acceptance in respect of 0.35 per cent of Camford's shares.

Mr Keech yesterday accepted that the agreements were "unreasonable" but said that

"at the time it was done, it was done in the best interests of shareholders." He said that the waiving of the clause meant that board members with an average of 20 years' service might leave "with nothing."

"It means that if Markheath take over, Mr Spalvins (the group's chairman) could ask me to leave with reasonable notice."

Camford shares yesterday slipped briefly below the 305p offer level before recovering to close unchanged at 307p.

The company has until next Tuesday to produce its defence document. The Markheath offer extension runs out today.

Rex Williams in talks

By John Thornhill

REX WILLIAMS Leisure, the video and entertainment company chaired by Mr Frank Warren, the boxing promoter, revealed yesterday that it was in discussions with a party which might lead to a major restructuring involving an injection of assets.

It is believed that Rex Williams is discussing several options with a private company.

The USM-quoted company, which on Wednesday asked for its shares to be suspended pending an announcement, added that it was continuing with its programme of asset disposals.

The company's shares cannot be relisted until it produces its long-overdue annual report and accounts for the year to May 1989.

Unilever to expand animal feeds business

Unilever's animal feeds subsidiary, BOCM Silcock, is to acquire the Blandford and Webb agriculture business at the end of the month for an undisclosed sum.

The Blandford and Webb agriculture operation produces compound animal feeds and distributes arable products and feeds. Turnover of more than £30m is expected for the year to April 30.

APV

Continued growth underlines world-wide leadership in food processing

APV made good

progress in 1989. Substantial increases were achieved in pre-tax profits, earnings per share and dividend per share.

The company con-

tinued to seek a more balanced spread of sales, both sectorally and geographically. The changing political scene in the USSR and Eastern Europe has not affected existing orders and holds the promise of further demand for APV's products. North and South America account for over a quarter of the company's business. Consequently, APV is placing strong emphasis on developing managers with an international perspective.

Although high interest rates are dampening the plans of some UK customers, APV enters 1990 with a record order book well-spread geographically, and across all product categories. The world-wide nature of its business means that APV can be modestly optimistic.

FINANCIAL HIGHLIGHTS

	1989 £m	1988 £m	INCREASE
Sales*	844.4	806.2	4.7%
Profit before taxation	60.6	51.5	17.7%
Dividend per share	5.4p	4.8p	12.5%
Earnings per ordinary share	14.1p	12.0p	17.5%

*Excluding the contribution made by the Printing Machinery Business sold in March 1989. Group turnover increased by 18%.

key activities - the preparation, processing, packaging and product-handling of foods. The Annual General Meeting of APV plc will be held at 12.15pm on Tuesday, 15th May 1990 at The Grocers' Hall, Princes Street, London EC2R 8AQ.

For a copy of the Annual Report and Accounts, please contact

the Company Secretary, APV plc, 2 Lygon Place,

London SW1W 0JR

APV

The world's food engineers.

The American Stock Exchange is pleased to announce the listing of

NFC plc (ADRs)

April 6, 1990

Symbol: NFC

NFC

To find out why this premier transport, logistics, property and services company selected the premier auction market to list its ADRs, call George J. Avril, Executive Director, American Stock Exchange, (01) 628-5982.

American Stock Exchange

UK COMPANY NEWS

Australian chief hints that he would welcome pull-out by parent

Remarks fuel Dalgety sale rumours

By Bruce Jacques in Sydney and David Owen in London

SPECULATION THAT Dalgety, the UK food and agribusiness group, may sell its 55 per cent stake in Australian-based Dalgety Farmers, intensified yesterday following remarks by Mr Bruce Vaughan, DF chairman, to the effect that he would welcome such a move.

"Whilst we are not unhappy with our English-based shareholders," Mr Vaughan was quoted as saying, "perhaps shareholders closer to home, who have more understanding of the needs of rural Australia, may, on balance, be a better thing."

However, he ruled out the purchase of anything but a minor stake in DF by Mr Robert Holmes à Court, the Australian corporate raider.

In conjunction with the acquisition of French Mr Holmes à Court has acquired about 5 per cent of the parent concern.

Last year, he also gained control of Sherwin Pastoral, another Australian agribusiness operation that controls about 12 per cent of the country's land-mass.

Under Mr Maurice Warren, chief executive since the abrupt departure of Mr Terry Pryce last July, Dalgety has embarked on a review of its activities.

DF, which specialises in the handling and marketing of wool and livestock, Martin

Brower, a US distributor to fast food restaurants, and Dalgety Produce, a UK fresh produce distributor, are rumoured to be high on its disposal list.

But Mr Warren said yesterday that no decision had yet been taken on the sale of any company. Last October, the group sold GHI & Dufus, its ill-starred commodities business, for £27.4m.

The Antipodean connection holds great sentimental attachment for Dalgety, since it traces origins to Melbourne some 150 years ago.

DF's principal minority shareholder is ANZ Banking Group, which last year lifted its interest from 21 per cent to 25 per cent, at a cost of about A\$6.3m, valuing the whole company at almost A\$158m (£73.5m).

Mr Vaughan, who is also a director of the Dalgety parent, said ANZ and the staff pension fund were both keen to increase their holding in DF. Others, who had "decades of association" with the Australian group were also likely to be buyers.

DF's articles of association give its own minority shareholders pre-emptive rights over the Dalgety stake if any interest of more than 20 per cent in the group changes hands.

Mr Vaughan also said there was no truth in speculation



Maurice Warren: no decision taken yet on sale of any company

that he would lead a management buy-out of the company.

"But it's not my intention to stand idly by and see anything happen to our company that's not in the interests of our customers, or of our staffs."

Trading profits from Dal-

gety's Australian operations were ahead 15.5 per cent at £14.1m in the six months to December 31 because of a higher contribution from property development. But the full-year total was expected to be lower than in 1988-89.

Vaux sells six hotels for £16m

By Philip Rawstone

VAUX GROUP, the brewing and leisure company, is selling six of its Swallow hotels to Williamson Hotels, a private company based in Scotland, for £16m.

The hotels, with a total of 418 rooms, are located in Aberdeen, Bathgate, and Kilmarnock in Scotland, and in Alnwick, Kendal, and Newcastle-upon-Tyne, in England.

Contracts for the sale have been exchanged and completion is expected on May 14.

Mr Paul Nicholson, Vaux chairman, said yesterday: "We decided that these six hotels would not match our marketing profile into the 21st century. We believe it would be difficult to develop economically the leisure centres and other facilities which are the hallmark of Swallow Hotels, and which we aim to incorporate in all their properties."

Vaux, which recently acquired the Gosforth Park hotel in Newcastle for £27.3m, and last week opened a luxury Swallow hotel in Birmingham, is believed to be among the bidders for Allied-Lyons' chain of Embassy Hotels.

The group also announced yesterday that it has sold its estate of four London pubs to Regent Inns for £3.16m to concentrate on pub development in northern England.

Filofax records £1m loss and passes the final dividend

By Jane Fuller

FOR FILOFAX Group, the diary of 1989 was an unhappy one. The company recorded a loss of nearly £1m and it tried to kill off the yuppie image of its products with a first foray into promotion that cost £200,000.

Mr David Collischon, chairman of the USM-quoted company, said he was anxious that the company's professional, personal and pocket organisers should not find a new tag to replace the soured upwardly mobile one. He just wanted them to be seen as very useful.

Last year high interest rates had a less than useful effect on the upper end of the market and further down the competition was intense.

The pre-tax loss for the year was £960,000, compared with a profit of £2.72m. Sales fell from £14.7m to £12m and it is proposed to pass the final dividend leaving the year's total at

0.75p (3.45p).

The personal organiser, with which Filofax made its name, still accounted for about 80 per cent of sales, the rest coming from the desk and pocket versions, and from the Yard-O-Led pen and pencil business.

Mr Collischon said new ideas to enhance performance would continue to focus on "personal effectiveness". The company was considering going into training people in this, for example by time management courses and printed guides.

In terms of its own effectiveness, it revamped its management team to reflect the company's change from being

demand led (before last year it could sell all it made) to being marketing led. "We have brought in people who are used to FMCG (fast-moving consumer goods)."

The workforce was cut from 160 to 140.

Overseas sales, about half the total, presented a mixed picture: encouraging in the US, France and Scandinavia; still problematic in Japan.

While the retail market in the UK remained difficult, he said the company would address the business market with the professional organiser, which costs about £85 compared with the £19.50 to £70 range of the smaller products.

This was one of the areas where a partnership or joint venture might help gain access to the market, said Mr Collischon, who with his family owns 63 per cent of the shares.

The company has almost nil gearing and net interest payments for the year were £20,000. The loss per share was 5.2p (earnings of 12p).

When Filofax was floated in April 1987, the share price was 120p. Yesterday it was 20p, unchanged on the day.

Associated Fisheries dives to £2.07m

SUBSTANTIAL LOSSES in fish processing and a downturn in the operating profit of the partnership fishing vessels combined to hit Associated Fisheries in 1989.

Although comparing with 15 months, turnover for 1989 fell

to £109.17m (£127.9m) and the pre-tax profit to £2.07m (£5.06m). Earnings were 10.07p (19.66p) and the dividend is again 6p, with a final payment of 5p.

Investment income rose to £2.05m (£1.03m) with the help

of £1.06m gain on the sale of investments, mainly in the US.

There was an extraordinary profit of £1.35m (£6.42m) arising mainly from the sale of the Leyton freehold premises and three warehouses.

Westminster & Country hotel development deal

By Clare Pearson

WESTMINSTER & Country Properties, the property investor and developer, is moving into the development of hotels and country clubs by buying Arcadian, a company created by former management of Parkdale, the property and leisure group acquired in a reverse takeover by Pavilion Leisure last July.

Mr Robert Breare, who was Parkdale's chief executive, is joining the board in that capacity. Mr Jeremy Priestley, also from Parkdale is appointed as

an executive director. Meanwhile, Sir Peter Parker comes in as non-executive chairman, replacing Mr Leonard Day who has resigned. Mr Ralph Kanter also joins as a non-executive director, replacing Mr Richard Parkes.

At the same time, the Parkes family are making share disposals at 20p per share that reduce their interest in Westminster from 52.4 to 22.4 per cent. Some of these have been purchased by the incoming directors.

All-round improvement helps Avonmore rise 39%

AVONMORE FOODS, one of Ireland's major food groups, yesterday announced an advance of 39 per cent in pre-tax profits for 1989, from £19.45m to £26.82m (£21.62m).

It also said it was acquiring the outstanding 58 per cent of TH Goodwin & Sons for £25.74m, and the assets and stocks of S Falbo Cheese, of Chicago, for £1.53m.

In the near future it intends to apply for a London listing of its A shares, and has appointed Samuel Montagu as merchant bank advisers and Davy Stockbrokers and Panmure Gordon as brokers.

The increase in profit and turnover - from £225.44m to £240.6m - occurred across the group. The acquisitions made during the year contributed to the results; they were Roy's

Dairy, Glen Mills Dairy, Irish Country Bacon and Golden Dairy.

International market penetration was further developed. Significant niche opportunities in profitable, secure, long-term markets continued to be exploited for consumer products and food ingredients. Growth and development of the meat division considerably expanded the product range.

Earnings for the year worked through at 8.95p (7.76p).

The final dividend on the A shares is 1.25p for a 2.5p total, and on the B the payment is 0.5p making 1p for the year.

Last year payments of 1.25p and 0.45p respectively reflected the restructuring of the Avonmore Group and the formation of Avonmore Foods.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
A-Pacific Res £	nil	-	0.5	nil	1
APV	3.41	-	5.4	8.8	4.9
Assoc Fisheries	5	May 17	5	10	8*
Avonmore Foods A	1.25	June 14	1.25	2.5	1.25
Avonmore Foods B	0.5	June 14	0.45	1	0.45
Baird (Wm)	5.19†	-	4.7	9.9	7.55
Beckhouse (A)	1.53	-	1.53	3.06	4.75†
Beradin	1.15	-	1.15	2.3	1.15
CSC Inv Trust	6.75	-	6.75	13.5	10.95
Filofax £	nil	-	2.7	2.7	3.45
Lyn McShane	2.25	June 8	7.05	9.3	10.35
Margate Mts £	0.9	May 11	0.9	1.8	2
Molyneux	2.25	July 5	2.25	4.5	2.25
Norfolk	nil†	-	0.96	0.96	0.54
Oliver Group	4.75	May 14	4.133	8.883	5.75
Queens Moat	1.22	May 30	0.978	2.2	1.824
RKF £	2.25	May 25	2.25	4.5	3.375
UDO Holdings	1.35	June 6	0.9	2.25	3.4
Viaten	2.55	July 2	3.45	6.0	4.9

Dividends shown pence per share net except where otherwise stated. †Equivalent after allowing for scrip issue. ‡On capital increased by rights and/or acquisition issues. §USM stock. ¶Unquoted stock. †Third market. *Now a subsidiary of Queens Moat. ‡For nine months. †Irish currency. *For 15 months.

BOARD MEETINGS

The following companies have notified details of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official notices are not available as to whether the dividends are interim or final and the sub-figures shown below are based mainly on last year's final notices.

TODAY
Interline Health & General, Star Computer, Plaxton, Apcon, Belsford, Bredon, Devon Group, Eys (Wimborne), Jacks (Wimborne), Social Television.

FUTURE DATES

Interline	Apr. 26
Credent	Apr. 26
Loyce Charnley	Apr. 10
Upland Investments	Apr. 18
Plaxton	Apr. 18
Berry, Birch & Noble	Apr. 18
Quarto	Apr. 9
Rea Brothers	Apr. 17
Shredded Computer	Apr. 10
The Bank	Apr. 11

GROUPE CONCEPT

Consolidated results for the fiscal year ending December 31st, 1989.

(Millions of French Francs)

	1988	1989	
Net sales	1,619.3	2,289.7	+41%
Operating profit	157.0	213.8	+36%
Net profit after tax	88.2	149.5	+69%

This has been approved by the Board of Directors of the Paris based Groupe Concept - a European leader of computer services and information technology in the fields of finance, accounting and management during its meeting of April 2nd.



The Company car.

UK COMPANY NEWS

Oliver feels the pinch and falls to £4m

By John Thornhill

OLIVER GROUP, the shoe retailer which is diversifying into other markets, saw a sharp slump in pre-tax profits in 1989 as a result of the harsher economic climate in the UK.

Mr Ian Oliver, chairman, blamed the fall on factors outside the company's control and congratulated his staff on the extent to which they had mitigated the effects of the downturn.

Pre-tax profits declined from £7.11m to £4.07m in spite of marginally increased sales of £92.45m (£90.83m).

Earnings per share fell heavily to 16.88p (32.21p) although the company increased the total dividend by 15 per cent to 5.75p (5p) after recommending a final of 4.75p.

The company claimed that the Government's anti-inflationary policies had depressed sales throughout the year. Sales volumes on a comparable basis were maintained but this was insufficient to prevent a reduction in trading profits at a time of high fixed costs.

Oliver Group's shares fell 5p yesterday to 190p.

Property and supermarket conglomerate joins BAT's US auction

More Japanese interest in Saks

By Nikki Tait

A THIRD player, the Japanese Shuwa Corporation, yesterday made public its interest in acquiring Saks Fifth Avenue, one of the US retail subsidiaries of BAT Industries which is currently up for auction.

Saks' management, in conjunction with Tobu Department Stores of Japan, and the US General Cinema group have already indicated that they are interested in the business.

In Tokyo, a Shuwa official said the group's offer was submitted at roughly the same time as that of the management/Tobu bid, but gave no financial details. The management/Tobu offer was lodged on about March 9, the date by which the first round of bidding was due to be completed.

Since then, BAT's advisers have been drawing up the short-list of interested parties who will go through to the second round of bidding.

The tobacco-based conglomerate, which is selling its US retail interests as part of its response to a bid threat from Sir James Goldsmith's Hoylake consortium, has said that it hopes to have sales of all four retail operations completed by end-June; it has already disposed of Breneurs. Analysts have estimated that Saks could fetch upwards of \$1bn (£610m). Shuwa, which is not listed, is



Patrick Sheehy: subject of retirement not on the agenda

a fast-growing property and supermarket company, taking in interests in large corporate buildings in central Tokyo and investments in the US. It moved into the Los Angeles property market about 12 years ago.

It has attracted some attention over the past 12 months,

because of its interests in other Japanese retailers. Last summer, it revealed a plan to take over and merge four smaller supermarket companies, prompting two of them, Chujitsuya and Inageya, to try to thwart the bids by issuing new shares to each other. It also declared a 15 per cent stake in

Matsuzakaya, a leading department store group.

Meanwhile, in London BAT glided through a shareholders meeting called to formally approve the demerger of its UK-based Argos catalogue showroom retail subsidiary.

There was only one intervention - coming from Mr Antonio Von Marx, the distant cousin of Sir James Goldsmith who cropped up, somewhat bizarrely, during the Hoylake bid battle last summer.

Mr Von Marx again pressed his case that BAT should be fully "unbundled", and went on to say that he was looking forward to the retirement of Mr Pat Sheehy, BAT's chairman. When asked Mr Von Marx, would that be?

"That's not the subject on the agenda," boomed Mr Sheehy, referring - perhaps accidentally - to his questioner as Mr Von Marx. "Well, if there are no further questions or statements to be made..."

The small gathering of shareholders who had turned out - Mr Von Marx included - dutifully gave their unanimous approval to the motion.

This means that Argos shares will start trading this morning, and BAT shares will adjust downwards at the same time. Analysts have suggested an opening price of 200p-210p for Argos.

Textile industry problems hold William Baird advance to 4%

By Alice Rawsthorn

WILLIAM BAIRD, the textile and engineering group, yesterday announced a 4 per cent increase, from £31.89m to £33.23m, in pre-tax profits for 1989, reflecting the competitive climate in the textile industry.

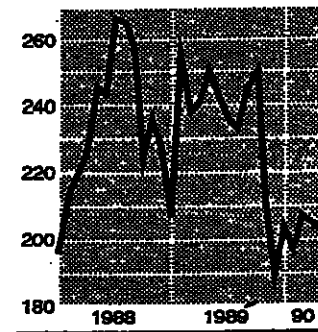
Mr Donald Parr, chairman, said it had been a "difficult year", although Baird has expanded in textiles in spite of the downturn. Since the start of the year it has bought one lingerie and two clothing companies from Paisley Hyslop's receivers.

Group turnover rose to £444.52m (£371.24m) and operating profits to £35.82m (£32.23m). Earnings per share fell to 24.3p (25.6p). The board proposes a final dividend of 5.15p making a total of 8.4p (7.55p).

In textiles Baird, like the rest of the industry, suffered the parallel problems of fierce import competition and a slowdown in consumer demand. Its rainwear companies, Dannimac and Telemac, also suffered from the unusually mild weather.

Baird made operating profits of £23.32m (£21.17m) in textiles on turnover of £335.02m (£272.16m). All the growth came from its acquisitions, which include the Centaur and JR Clothes men's

William Baird
Share price (pence)



wear businesses.

Mr Parr said the textile market was still intensely competitive, but there were signs of improvement. The pressure from imports had lessened because of more competitive exchange rates and the contract clothing market - for multiple retailers like Marks and Spencer - was faring well.

Darchem, the engineering division, increased operating profits to £12.5m (£11.06m) on turnover of £109.5m (£99.08m). Darchem has won several significant new contracts and its forward order books are 20 per cent higher

than at the same time last year.

Group investment income slipped to £1.19m (£1.45m). The group paid £3.73m (£1.79m) in interest on year end gearing of 12 per cent.

COMMENT

At first glance these results - with pedestrian profits growth and a dent in earnings per share - are distinctly disappointing. A second glance shows how well William Baird has withstood the intensely competitive conditions in textiles. In a year when its competitors reported plunging profits, or lurched into losses, Baird was unusual in managing to maintain profits. It has also had the confidence to take advantage of the bargains around in the troubled textile industry by buying other businesses. The outlook for textiles is now slightly less forbidding. This, combined with Darchem's bulging order book, should produce pre-tax profits of £36m this year. This leaves the shares at 200p on a prospective yield of 8. This might be low on fundamentals, but it will be a long, long time before the stock market is confident enough to invest in textiles again.

Blagden expands with Belgian purchases

By John Thornhill

BLAGDEN INDUSTRIES, the packaging, chemicals and industrial equipment group, is broadening its interests on the Continent still further with the purchase of two Belgian companies for £6.42m.

Blagden has already bought Moens, a drum reconditioning business, for an initial BFR140m (£2.4m) and intends to buy Sodopromet Chemicals, a resin manufacturer, for £4.02m. The acquisitions will be satisfied partly by cash but mostly by the issue of shares.

Moens, a family-run business, reconditions steel and plastic drums at two sites and will complement Blagden's existing drum manufacturing

operations in Belgium, France and the Netherlands. The three senior managers have agreed to stay with the company.

In 1989, Moens made pre-tax profit of BFR24.4m and at the year end had net tangible assets of BFR53.6m.

Sodopromet Chemicals, which includes the Van Loocke company, is a chemical manufacturing and trading group based near Bruges. This acquisition will represent Blagden's chemicals division's first base on the Continent and will help it expand its distribution network in Europe.

It made pre-tax profits of BFR15.7m in 1989 and had net assets of BFR98m.

IN BRIEF

AMBASSADOR Security Group has acquired City Alarm Systems, for £500,000, satisfied by the issue of 1.67m ordinary shares at 30p per share. City Alarms had pre-tax profits of £58,217 in 1989 and net assets of £22,287.

BARR & WALLACE Arnold Trust has completed the sale of the freehold property, assets and goodwill of Trusa Motors Edinburgh, to Applied Capital Investments, a subsidiary of Abercromby Corporation, for £1m cash.

BRITISH VITA's Royalite Plastics subsidiary, has acquired the industrial sheet operations of Courtaulds Advanced Materials for about £2m. Its Vita Interfoam subsidiary has also acquired Hans Hoepfner of Goch, West Germany, for about £1m. Hoepfner, which processes foams for packaging, has a turnover approaching £2m.

BROMPTON has disposed of four of the six businesses which comprise the services division of its Inspectorate OIS subsidiary. Total consideration is £4.1m and each business has been sold to its management. Net receivables, totalling £4.2m as at December 31 1989, are not being sold and are being collected by Brompton. Negotiations are progressing to sell the remaining businesses of the services division - electrical rewinds.

BROMSGROVE has made further disposals of surplus property totalling some £2m. BTP has paid £2.5m (£1.52m) for ALC, a US supplier of flame retardant coatings for aeroplane carpets and wall coverings, based in Calhoun, Georgia. ALC has recently achieved

Boeing approval for its systems.

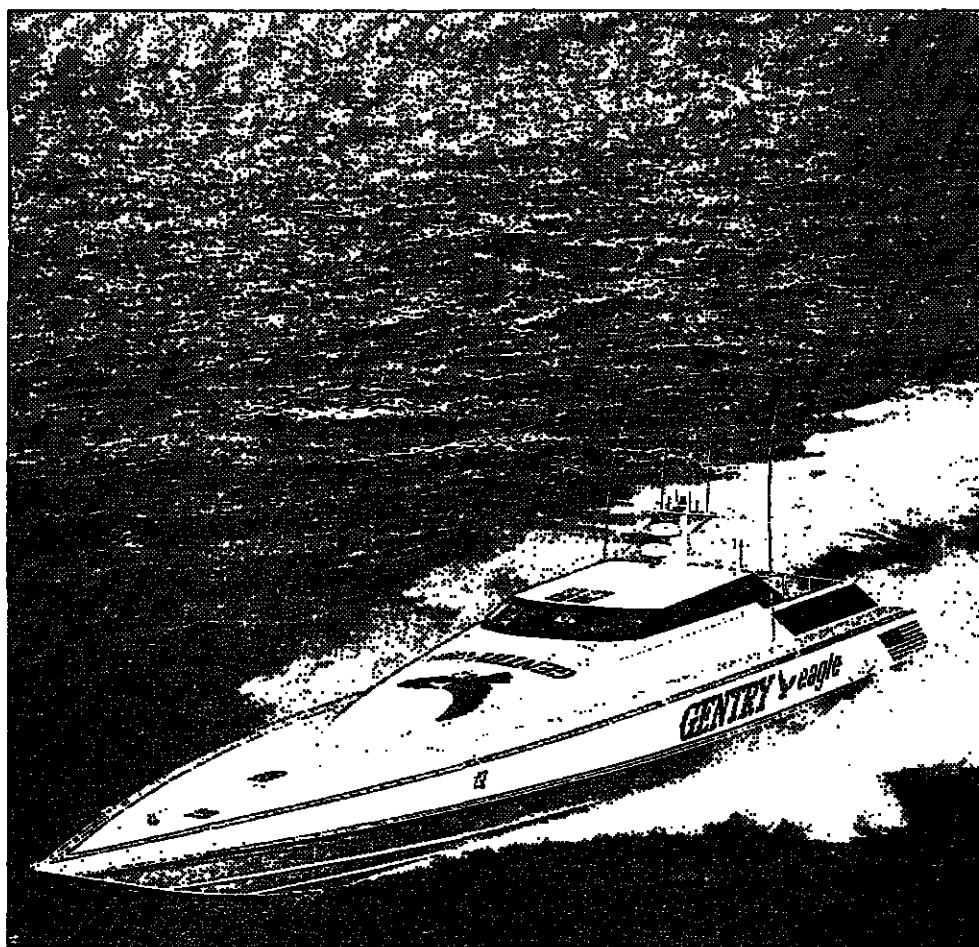
ECC GROUP has acquired Lurgain, a Spanish concrete block paving producer with three factories in Navarra, Castile and Madrid. Consideration was Pta1bn (£5.7m).

GOLD & BASE Metal Mines, an investment holding company, reported pre-tax profits of £194,400 (£102,500) for 1989. Earnings per share 0.79p (0.48p). Single final dividend of 0.5 (0.4p) proposed. Net asset value at end of period 18.67p (15.3p).

NORTH WEST Exploration reported a post-tax loss of £1.21m (£2.26m) for 1989. The loss is attributable in part to an exceptional write-off of deferred exploration costs of £735,359. Losses per share amounted to 8.8p (17.5p). The company intends to apply in the near future for admission to the USM. It currently trades on a matched bargain basis.

RECKITT AND COLMAN's rights issue of convertible capital bonds has been accepted in respect of 157.35m bonds (78.3 per cent). The bonds not taken up have been sold in the market at a premium.

WACE GROUP has acquired Offset Separations and Offset Separations (West), pre-press services companies, for an initial aggregate consideration of £4.5m (£2.75m). Aggregate pre-tax profits were £1.3m on turnover of £14.98m in 1989. The initial consideration will be satisfied by issue to the vendors of 377,765 new Wace ordinary, and the balance by £2.75m cash. A further payment, subject to a maximum of £2m (£1.22m), is performance-related.



The Company jet.

Notice to Lombard Depositors

The following interest rates will apply from 6th April 1990

Rates for depositors entitled to receive gross interest | Rates for depositors entitled to receive net interest | Gross equivalent to a basic rate tax payer

14 DAYS NOTICE Minimum initial deposit £5,000

When the balance is £5,000 and above

14-375% PA | 11-213% PA | 14-950% PA

When the balance is below £5,000

12-250% PA | 9-555% PA | 12-740% PA

Interest is credited quarterly

CHEQUE SAVINGS ACCOUNTS Minimum initial deposit £1,000

When the balance is £5,000 and above

12-000% PA | 9-360% PA | 12-480% PA

When the balance is £1,000 up to £4,999

10-000% PA | 7-800% PA | 10-400% PA

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مكتبة الأصول

UK COMPANY NEWS

Insurance helps L and M make small advance

By Eric Short

LONDON AND Manchester Group managed to achieve a small 2.9 per cent rise in pre-tax profits for the year to the end of December, from £30.31m to £30.79m, in spite of the dull market for mortgages.

Profits from its mortgage operations dropped from £2.07m to £1.75m and profits from its estate agency operation were slashed from £2.41m to a mere £457,000.

Attributable profits for the year rose by 7 per cent from £14.64m to £15.63m and shareholders will receive a 17 per cent increase in total annual dividends from 10.35p to 12.09p, following a recommended final payment of 8.29p (7.06p).

A tax charge of £5.17m (£5.7m) left earnings per share higher at 13.42p, against 12.96p.

The Exeter-based group's mainstream life and pensions business continued to progress steadily with profits rising overall by 20 per cent from £14.08m to £16.86m.

The main contributors were the ordinary branch's main fund where profits advanced from £4.39m to £5.5m and the industrial branch which saw an increase from £3.9m to

£4.66m.

The rise in insurance profits was almost negated by the fall in the mortgage business. London and Manchester's estate agency operation, however, appears not to have been so heavily hit by the house market slump as the estate agency operation of other, larger, insurance groups which have incurred very heavy losses. The commercial estate agency business was highly profitable in 1989, offsetting the losses on the residential side.

With-profit policyholders receive an unchanged normal reversionary bonus on both the ordinary and industrial branch contracts. The benefits of the very good investment returns in 1989 are passed on to policyholders in the form of higher additional reversionary bonus and improved terminal bonuses.

The group is restructuring the management of the various funds in the ordinary branch so that they will in future be managed in aggregate. The move reflects the shifting pattern of business and will enable the use of aggregate resources of the combined funds to be used to the best advantages of the group.

COMMENT

Well established traditional life funds have now grown to a size where they have generated considerable momentum and as such profits will continue to emerge at a steady rate for some years to come even though new business falls drastically. This profits momentum stood London and Manchester in good stead last year, enabling the group to cover the profit downturn on the mortgage and estate agency operations and maintain steady dividend growth. However, life profits are going to be needed this year with conditions in the commercial side of estate agency getting tighter and no sign of recovery on the residential side. The advent of Tessa in the Budget introduces a serious savings competitor to home service companies like London and Manchester and it is seriously considering entering the deposit-taking market. But for this year, the momentum from the life funds and an unchanged situation from the mortgage and estate agency operations should result in a 20 per cent net profit rise to £18m, which is reflected in the share price rising 6p to 311p.

NFC dealings get underway in the US

By David Owen

TRADING IN American Depositary Receipts in NFC, the Bedford-based transport, distribution and travel group, begins on the American Stock Exchange today, some 14 months after the company's London stock market debut.

No new equity is being issued. The Bank of New York will act as depositary for the ADRs, which will each represent one NFC ordinary share.

According to Mr James Watson, chairman-designate of NFC, the listing has been pursued mainly to facilitate trading in the company's shares by the expanding band of US employees, and to attract more US institutional shareholders.

The number of US employees

totals 3,000. The US subsidiaries include Allied Van Lines, the Chicago-based removals business, and Dauphin Distribution Services of Pennsylvania.

NFC also hopes to benefit from the promotional spin off of securing a US listing. According to Mr Watson, Amex was selected because of the "red carpet treatment" that it was prepared to provide.

The company expects to make more US acquisitions in line with its aim of generating 40 per cent of profits overseas by the mid-1990s. It will shortly announce the "smallish" purchase of a Spanish distribution group.

Electrocomponents expansion

Electrocomponents, the distributor of electrical and electronic components, yesterday announced two acquisitions for a combined initial consideration of £3.1m, writes Clare Pearson.

Both purchases add to the geographical spread of Misco, Electrocomponents' direct response marketing group of companies selling computer supplies to business.

It is paying an initial £2m for

Dabus, a Swedish group, with a further payment depending on pre-tax profits for the year to end-June. Additionally, it is buying 65 per cent of Microbits, a Canadian company, for £1.1m and will acquire a further 5 per cent for £1,000 in May.

The acquisitions form part of the reshaping of Electrocomponents following the sale of its franchised components side for about £15m last July.

NEWS DIGEST

Purchase boosts Vinten

THE ACQUISITION of Gruppe Manfrotto had a significant impact on the results of Vinten Group for the nine months to December 31 1989.

Although in the group for only five months, it contributed £2.28m to an overall trading profit of £5.94m. The pre-tax balance for the period came to £4.4m, compared with 4.87m in the previous full year. Turnover was £34.86m (£37.86m).

Vinten produces avionics, broadcast, and electro optical equipment, while Manfrotto makes photographic and video camera mounts.

Mr Sam Marler, chairman, said the broadcast business had a good year, with trading profits at £2.41m (£3.25m). The military side produced only £801,000 (£2.43m), reflecting the absence of major contracts for delivery in the period. Development projects continued strongly, he added.

The current year had started well. The group would benefit from a sound market position in each of its sectors, he said. Manfrotto added considerably to the group's commercial interest, giving it a better balance with defence.

Buying Manfrotto was achieved through a 65 per cent increase in capital, and current trading to March 31 1990 showed that annualised earnings would have been up on 1988.

Borrowings had soared to £20.3m at December 31, but gearing was already reduced from 182 per cent at the date of acquisition to 142 per cent, and would be further reduced this year.

The anticipated tax relief benefits were coming through to be set off against Italian-based profits, and that would favour cash flow for at least five years.

Meantime, it was thought the final dividend should reflect current borrowings; it will be 2.55p for a total of 4p for the period (4.9p for year). Earnings were 10.4p (14.9p) per share.

Downturn at Anglo Pacific Resources

Pre-tax profits of USM-quoted Anglo Pacific Resources fell to £31,000 in 1989 and the final dividend is being passed.

This means there is no payment for the year, compared with 1p (including a final of 0.5p) in 1988 when profits came

to £1.56m.

Turnover dropped to £5.5m (£6.05m). Interest received moved ahead to £2.49m (£1.7m), but was offset by a turnaround to a loss of £398,000 (profit £98,000) in the associate, and an exceptional deficit of £582,000.

Sherwood hits record £8m

Profits of the Sherwood Group, which has interests in lace and garment manufacture, advanced from £6.56m to a record £8.18m pre-tax for 1989.

Sales soared to £74.26m (£47.54m) and gross profits rose by £8.62m to £20.53m. Distribution and administration costs, however, took £10.08m (£4.51m) and interest charges more than doubled to £2.25m (£1.05m).

After tax of £3.65m (£1.97m) earnings amounted to 35.5p (38p). A final dividend of 5.2p makes a 7.5p (6.5p) total.

Directors said that as USM-quoted Sherwood generated some 45 per cent of sales from overseas it was much less exposed to the uncertainties of the UK economy.

National Industri £0.2m in the red

Continuing losses in its lighting business resulted in a 1989 pre-tax loss of £202,000 (£194,000) at National Industri (Ireland), against a profit of £258,000 previously.

The Waterford-based maker of electrical and engineering goods, improved turnover by 15 per cent to £29.21m (£25.01m). This was due mainly to an improvement in Irish market conditions, the company said.

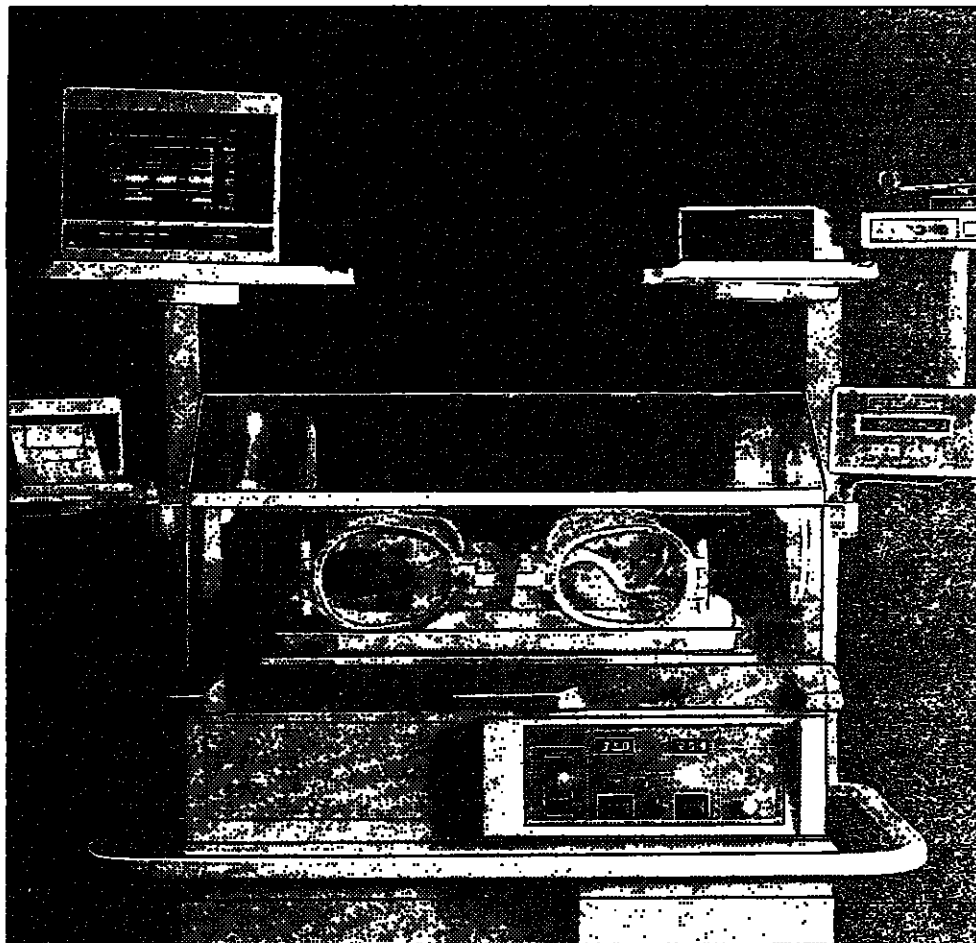
Last time there were redundancy costs of £26,000. Restructuring reserves totalled £11m (£11m debit). Losses per share amounted to 1.68p (0.5p earnings).

KCA Drilling lower at £2.14m

Taxable profits at KCA Drilling Group dropped from £2.84m to £2.14m in 1989.

But with an extraordinary credit of £1.43m, attributable profit rose from £2.38m to £3.12m. Earnings per share were 2.11p (3p).

Following the change of control at the end of last year, when Outline acquired 51.1 per cent of the KCA voting rights, the intention now was to pursue an acquisition policy of operating assets and companies. In that context, certain acquisition proposals were currently under detailed review, directors said.



The Company health check.

PUBLIC WORKS LOAN BOARD RATES

Effective April 4

Term	By RPT	AT	By RPT	AT	By RPT	AT
Over 1 up to 2	14%	14%	14%	15%	15%	15%
Over 2 up to 3	14%	14%	13%	15%	15%	14%
Over 3 up to 4	14%	14%	13%	15%	15%	14%
Over 4 up to 5	13%	13%	13%	14%	14%	13%
Over 5 up to 6	13%	13%	13%	14%	14%	13%
Over 6 up to 7	13%	13%	12%	14%	14%	13%
Over 7 up to 8	13%	13%	12%	13%	13%	13%
Over 8 up to 9	13%	13%	12%	13%	13%	13%
Over 9 up to 10	13%	13%	12%	13%	13%	13%
Over 10 up to 15	12%	12%	12%	13%	13%	12%
Over 15 up to 25	12%	11%	11%	12%	12%	12%
Over 25	11%	11%	11%	12%	12%	12%

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. ‡Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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EUROMONEY PUBLICATIONS PLC

Notice is hereby given that an Extraordinary General Meeting of the above-named Company will be held at Temple House, Temple Avenue, London EC4V 0JA on Monday 23 April 1990 at 11 am for the purpose of considering and, if thought fit, passing the following ordinary resolutions which will be proposed as Special Business:

Resolution

1. THAT the arrangement proposed to be entered into between the Company and Mr. Bance, an Executive Director of the Company, as outlined in the Appendix to the letter from the Chairman dated 5 April 1990, produced to the meeting and signed for the purpose of identification by the Chairman of the meeting be and is hereby approved for the purpose of Section 320 of the Companies Act 1985.

Resolution

2. THAT, subject to the approval of the Board of the Inland Revenue, the Directors be and are hereby authorised to make the following amendments to the Company's Executive Share Option Scheme ("the Scheme") and to make such changes as are necessary or desirable to obtain the approval of the Board of Inland Revenue to those amendments:

(a) To insert a definition of "Date of Grant" as follows "the date on which an Option is granted by resolution of the Board";

(b) To insert a definition of "Market Value" as follows "on any day the average (rounded up to the nearest penny) of the middle market quotations of such a share as derived from the Daily Official List of the Stock Exchange for the three immediately preceding Dealing Days";

(c) To delete Rule 3(c) in its entirety and replace it with the following "Options may be granted only within 42 days after the announcement of the Company's half-yearly or annual results";

(d) To amend Rule 4(a) by deleting the words "market value of an Ordinary Share as agreed with the Shares Valuation Division of the Inland Revenue for the purpose of the grant" and replacing with "Market Value of an Ordinary Share";

(e) To delete Rule 6 in its entirety and replace it with the following:

"(a) This Rule 6 shall apply only to options granted on or after approval of this Rule by the Inland Revenue.

"(b) Subject to Rule 14, no option shall be granted under the Scheme which at the Date of Grant would result in the aggregate number of Ordinary Shares issued and remaining issuable under the Scheme (when aggregated with the number of Ordinary Shares issued and remaining issuable in respect of rights granted under any share incentive scheme or any other share option scheme in the period of 10 years ending on that Date of Grant) exceeding the lower of 1,500,000 and 5% of the Ordinary Shares in issue from time to time."

By order of the Board
PW Hewitt
Company Secretary
5 April 1990

Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member. A form of proxy for use at the meeting is enclosed and if used should be lodged with the Secretary at Nestor House, Playhouse Yard, London EC4V 5EX not less than 48 hours before the meeting.
- Holders of international depositary receipts (IDRs) in respect of ordinary shares in the Company may give directions in writing as to the voting of such ordinary shares on application to Banque Internationale a Luxembourg SA (BIL) of 2 Boulevard Royal, 2953 Luxembourg, attention Securities Department, and by depositing their IDRs with BIL or any of the agents mentioned on the IDRs. Such instructions must be received by BIL and such deposits must be made not later than 11.00 am on Monday 16 April 1990.
- A copy of the following documents will be available for inspection at the offices of Merrill Lynch International Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY until conclusion of the meeting:
 - the Agreement between EUROMONEY PUBLICATIONS PLC, MR BANCE and THE PETROLEUM ECONOMIST LIMITED signed for the purposes of identification by the Secretary of the Company;
 - the proposed revised rules of the Euromoney Executive Share Option Scheme;
 - the letter from Ernst & Young referred to in the letter from the Chairman dated 5 April 1990.

UK COMPANY NEWS

Heating, engineering and property divisions fall

Acquisitions help RKF to maintain profits of £4.2m

By Jane Fuller

FALLING PROFITS in the heating, engineering and property operations of RKF Group, the USM-quoted conglomerate, prevented it from converting its acquisition-led growth into earnings.

With turnover for 1989 up 39 per cent to £45.79m, profit before tax stayed flat at £4.19m (£4.08m) and earnings per share fell from 9.13p to 7.68p. The average number of shares in issue was 55 per cent higher than in 1988.

An operating profit of £5.34m (£4.61m) was shaved down by doubled interest costs of £1.6m as the group's debt rose from £7m to £25m. Gearing reached 90 per cent and Mr Bob Francis, chairman, expected it to stay high this year.

Printing and leisure made operating profits of £2.96m and £1.57m respectively, but the other half of the business disappointed.

Mr Francis said because RKF imported the parts for its industrial and commercial heaters, it had been "caught on the hop" by the falling pound. A price increase and automation was expected to restore performance.

The group's December purchase, Mark, a heating business based in the Netherlands and the Irish Republic, was on course for a profit of £1.3m this year, he said.

On the engineering side, the subsidiaries making food handling equipment had been "caught short" by delayed contracts. Two factories had been closed and £900,000 cut from overheads.

The heating and engineering division's operating profit was halved at £670,000, while sales increased to £18.87m (£16.54m).

Property and development recorded an operating profit of £700,000, a third of the 1988 figure. Mr Francis said the group had anticipated selling 150 sheltered housing units in 1989, but only 56 had gone. They were now selling at the rate of one a week.

RKF had decided to get out of housing, and the disposal of land and homes was expected to bring in £12m. The sale and leaseback of group properties would bring in a further £4m.

More than £8m of these funds are earmarked for the group's new leisure division. RKF bought Pleasureworld

last spring in a cash and shares deal which was then worth more than £11m. Its American Theme Park, in Suffolk, and the Sea Life Centre, opened in Norfolk in July, contributed £1.57m in operating profit.

Mr Joe Larter, chief executive of RKF as he used to be of Pleasureworld, said another Sea Life Centre and a mini steam railway would open in July, and another theme park was being built, at Cleethorpes in Humberside.

A second tranche of investment - £7m - is going into a modern printing plant in Essex for RT Heron, the magazine printer bought in August 1988.

Mr Francis said the move, from five small locations, would increase Heron's capacity by 40 per cent and provide scope for labour savings. A final dividend of 2.25p makes a total of 3.75p (3.375p). The share price, which stood at 148p last July, fell 2p to 63p yesterday.

Laing & Cruickshank, the group's broker, is forecasting pre-tax profits for this year of between £6.5m and £7m, which gives a prospective pie of about 6.6.

Cairn makes £1.2m and plans rights issue for expansion

By James Buxton, Scottish Correspondent

CAIRN ENERGY, the Edinburgh-based independent oil company, yesterday announced post-tax profits of £1.2m in its first full year of operation and launched a rights issue raising £13.7m to reduce borrowings and finance development.

Cairn, which was created in its present form in mid-1988, achieved sales of £3.52m in the year to December 31 1989. In the previous six months, to December 31 1988, turnover was £146,339, on which it made a profit of £119,965.

Cairn is issuing 5.3m new ordinary shares at 25p each on the basis of three new shares for every 10 shares held on March 23 1990. Despite the announcement of the rights issue, Cairn's shares were unchanged at 320p.

The company will use the new capital to finance its drilling programmes and to repay some borrowings.

Last May, Cairn paid \$60m for the oil and gas properties of Lignum Oil of the US. It intends to develop gas fields in the Gulf of Mexico and has dis-

posed of some onshore properties, reducing its borrowings on the purchase to \$27.4m. Bill Gammon, chief executive, said the gas fields were the main source of revenue in 1989.

In the UK, Cairn is developing the Palmer's Wood oilfield in Surrey, which is expected to start production at 1,350 barrels per day in July, and is evaluating other discoveries and the rest of the onshore acreage acquired from Conoco in 1988.

In the North Sea, Cairn has a 10 per cent stake in two consortia which won the 11th round of UK offshore licensing. Drilling has begun on two of the blocks, with Suh Oil and Conoco as operators. Cairn wants to acquire North Sea production which is liable to petroleum revenue tax against which exploration costs can be offset.

Cairn said yesterday that low gas prices in the US would depress profitability this year, but would strengthen in the medium term. The oil price outlook was more stable than for some time.

NEWS DIGEST

All-round growth lifts UDO 43%

BY PERFORMING well in nearly every area of its operation, UDO Holdings increased pre-tax profit by 43 per cent in the half year to January 31 1990. Turnover rose 11 per cent.

In particular, the three acquisitions in Preston, Cardiff and Middlesbrough had proved their worth and fulfilled expectations, said Mr Mike Wright, chairman.

The group provides a full range of reprographic services and sells drawing office and related materials and equipment. Sales came to £31.44m (£28.38m) and profit to £4.5m (£3.22m); the latter included a net £574,000 exceptional gain on the sale of part of the freehold site at Colnbrook.

That sale gave a net inflow of funds of some £4.8m and further strengthened the balance sheet, Mr Wright stated.

Earnings rose to 10.5p (7.4p) and the interim dividend is stepped up to 1.35p (0.9p).

Lack of bounce as Beradin dips 20%

Beradin Holdings, an investor in natural rubber, oil palm, fresh fruit bunches, cocoa and coconut production in Johore, Malaysia, experienced a 20 per cent fall in profits to £402,432 pre-tax in 1989.

Turnover declined to £738,692 (£965,534). Estate profits fell to £234,363 (£448,497) but tax took £79,322 less at £144,054. Earnings emerged at 1.47p (1.86p) and the dividend for the year is being trimmed from 1.15p to 1p.

Beckman recovers to £993,000

A Beckman, a textile converter and property investor, returned profits of £993,000 pre-tax for the half year ended December 31, an improvement of 43 per cent on last time's depressed £682,000.

Tax of £311,000 (£262,000) left earnings 2p higher at 5.6p. The interim dividend is a same-again 1.63p after adjusting for the one-for-five scrip.

Exploration Co of Louisiana lower

The 1989 taxable results of Exploration Company of Louisiana, an oil and gas explorer and producer, were halved as result of the start-up costs of the gas marketing operations and legal defence costs.

Profits fell from £2.21m to \$1.2m (£683,000) on total revenues of \$6.32m (\$9.79m). Net income per common and common equivalent shares was 1 cent, against 2 cents.

The company said that the start-up costs of the gas operations had been \$346,000 with the legal defence costs amounting to \$315,000.

Magnetic Materials doubles to £0.7m

A full six months' contribution from its Krystinel subsidiary helped Magnetic Materials to report taxable profits of £704,000 for the half year to end-December.

The outcome - more than double the £316,000 achieved in the corresponding period of 1988 - came on turnover ahead just 6 per cent to £8.28m (£7.79m).

The USM-quoted magnetic components manufacturer acquired Krystinel, a US maker of soft ferrite products, early last year. Mr Edward Michaels, chairman, said the group

intended to develop further the business to take "advantage of American and related offshore market opportunities."

A maintained interim dividend of 0.9p is payable from 2.5p (1.2p) earnings per share.

Increased deficit at Chemex Intl

Chemex International, the Third Market-quoted environmental analysis group, announced a pre-tax loss of £749,952 for the year to end-September 1989.

The deficit compared with losses of £713,347 in the previous 12 months and came on turnover sharply increased at £526,988 (£15,370). Losses per 9p share emerged at 10.5p (9.99p). There is no dividend.

Runciman urges bid rejection

Walter Runciman has written to shareholders urging them to continue to reject Avenia's offer. Mr Garry Runciman, chairman, said that the offer failed to reflect the company's true value, its outstanding performance and its prospects.

He added that shareholders recognised this as shown by the acceptances at the first closing date and the fact that the share price remained above the offer.

Organic growth lifts Molynx

Molynx Holdings, the closed circuit television security surveillance group, saw turnover advance 78 per cent and pre-tax profit increase 61 per cent in 1989.

Mr Eric Walters, chairman, said organic growth was the dominant theme, and all group companies made progress.

Turnover came to £11.5m (£6.45m) and profit to £1.45m (£899,000). Administrative expenses of £2.45m (£947,000) clipped growth rate this time.

With earnings at 13p (10.3p) the dividend is lifted to 3.25p (2.25p), the final being 2.25p. Mr Walters said in the light of the group's performance to date a more progressive dividend policy would be adopted.

Current year budgets had been set bearing in mind the hesitancy in the long term growth markets; results so far were encouraging, the chairman reported.

CSC shows little change

Net asset value of the CSC Investment Trust stood at 172.57p at the end of 1989 - a rise of just 3.8 per cent over the year.

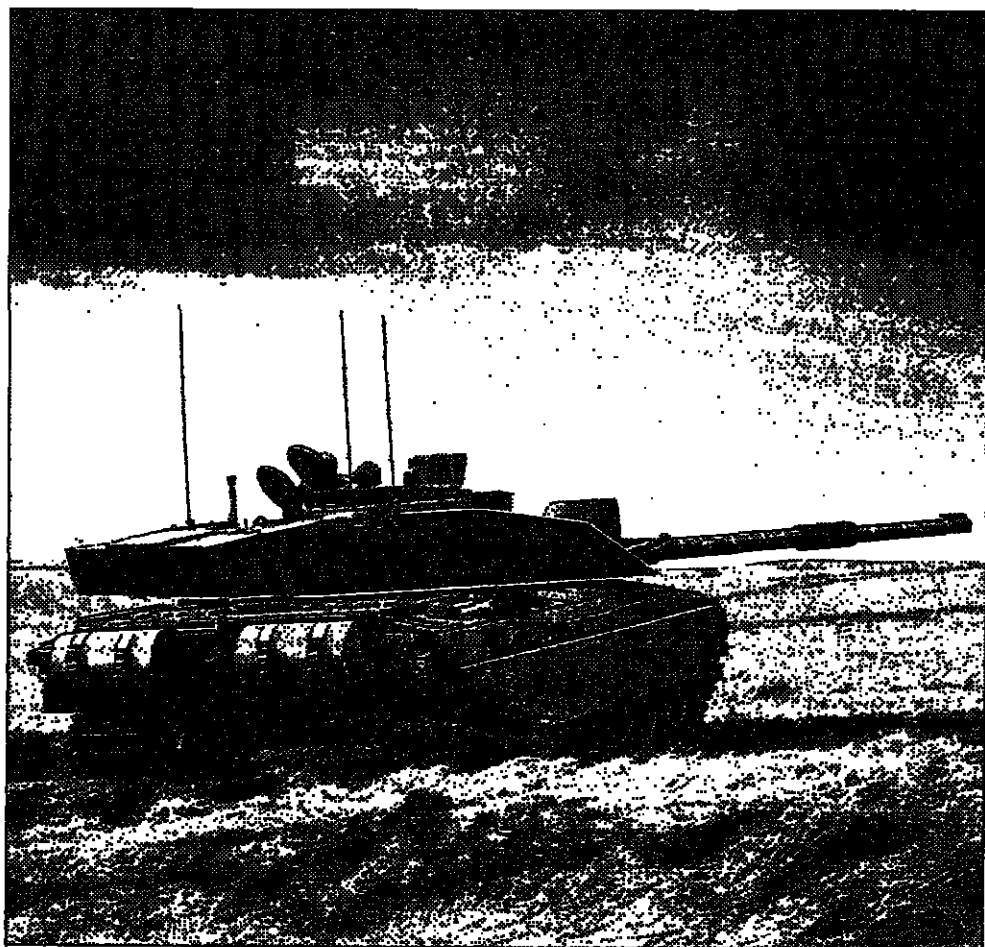
Net revenue amounted to £178,521 (£165,056) and earnings per share to 10.85p (10.03p). The final dividend is held at 6.75p for a maintained total of 10.95p.

Erskine House fund-raising

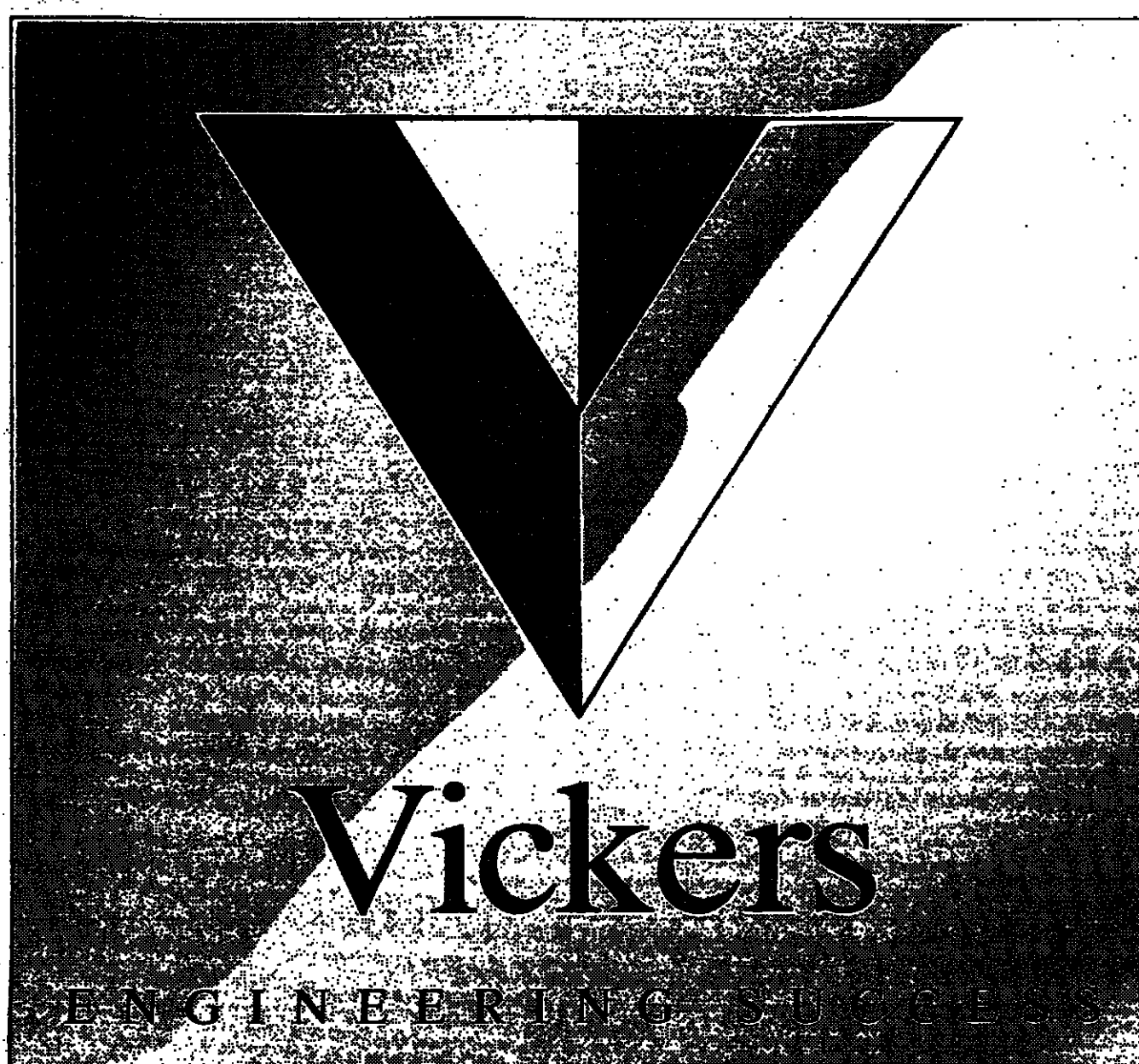
Prudential Insurance Company of the US will subscribe for 250,000 \$10 cumulative redeemable preferred stock units in Erskine Holdings, the US holding company of Erskine House Group, as part of the fund-raising exercise announced this week.

The issue of preferred stock units, with warrants attached, will raise \$25m (£15m) for the UK distributor of facsimile and photocopier machines. They will be redeemed in each of the six years between 2000 and 2005, and carry a fixed dividend of \$9.14 per unit.

A similar deal with Prudential last year involved a subscription for \$35m of guaranteed senior notes in Erskine Holdings.



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COMMODITIES AND AGRICULTURE

Digging in for battles with the environmentalists

North American miners are anxious to promote a cleaner image, reports Kenneth Gooding

WEARING SNAKE-skin boots and a straw hat with a freeze-dried rattlesnake head on the band, William Bell went north to issue dire warnings to his Canadian colleagues about the damage being done to the mining industry by environmental extremists in the US.

"Mine Freedom '89" is the slogan some US environmentalists have adopted, he told the Prospectors and Developers Association of Canada at its annual convention, the biggest gathering of its kind in the world.

Mr Bell has been in the mining business for most of his working life but the mine they recently named after him in South Carolina he discovered by accident. He stumbled on the sand and rare mineral deposit while out on a dove hunt.

Now South Carolina's legislature is considering putting a special tax on minerals which, Mr Bell claimed, will force miners to close and halt exploration. Some states already have such taxes and more are pending.

He suggested that US environmental groups have assembled war chests containing US\$200m to elect politicians and defeat the people they see as enemies - including miners. Extremists in the US were setting booby traps for miners and foresters. Campaigners who won the battle against any increase in the use of nuclear power in the US were turning their attention to other targets.

One group which successfully fought for an end to asbestos mining in the US was now campaigning to eliminate lead production.

Mr Bell said society was get-

ting its priorities wrong. "Mining is the most important and voracious of mankind's activities. Why don't the environmentalists recognise that people are starving to death in their natural environments in the developing countries? They should recognise that mining supports every activity which

Canadians' attitudes towards exploration and mining in wilderness areas and parks

Exploration Oppose Support

Mineral Not at all Limited

Widespread

Source: Angus Reid Associates

protects the human race."

Canada is the third-largest of the western world's mining countries and the mining industry has a great deal of political clout. It is becoming more politically active but has a lot more to do before its message comes over as loud and clear and as persuasively as the one from the environmentalists.

Modern miners acknowledge that the industry has only itself to blame for its poor

image. Mr Roy Aitken, an executive vice-president of Inco of Canada, the world's biggest nickel producer, says: "Let's acknowledge that the public at large think of us as people who work in holes in the ground. They think of big open pits. They think of tailings dumps. They think of blowing

mid-1960s and is spending C\$400m to rebuild and reduce the remaining emissions by 60 per cent, thus containing 90 per cent of the sulphur in the ore it mines.

Mr George Miller, president of the Mining Association of Canada, says: "We can't yet claim mining has a neutral or benign impact on the environment. But in future no mines should be opened that can't meet the full cost of environmental protection - including de-commissioning costs."

But the Canadian prospectors' convention provided clear evidence that there was one particular subject which still divided members of the mining community and environmentalists, however reasonable they might be and however willing to listen to the other's point of view.

This is the question of access to land.

The Prospectors and Developers Association estimates that exploration is currently prohibited or "unreasonably restricted" on more than 10 per cent of Canada's total land mass, equivalent to about the area of Manitoba and Saskatchewan combined.

"This situation is even more advanced in the US and the precedent we observe there is cause for the most serious concern," says Mr Robert Ginn, president of the association and a geologist of international standing.

The Canadian association is particularly worried that proposals by the World Wildlife Fund Canada for 12 per cent of the country to be set aside permanently for conservation, as part of an "endangered species" programme, might find their

way into law. Mr Monte Hummel, president of the WWFC, bravely confronted the prospectors at the convention to re-state the environmentalists' case. That 12 per cent would be enough to ensure that all types of wildlife and habitat were preserved undisturbed by industrial development, for future generations of Canadians.

The WWFC wanted a network of 305 natural regions of Canada established by the year 2000. "So far the job is less than half done," he said.

Mr Hummel admitted that he expected this campaign to present possible conflicts with the mining industry "because we advocate no industrial activity in such protected areas. However, WWFC is eager to work with, not against industry."

The problem with the WWFC attitude, the prospectors quickly pointed out, was that "if we don't look, we don't find."

Exploration very rarely leads even to land disturbance, stressed Mr Jack Garnett, chairman of the Mining Industry Land Use Strategy group. He said that, of 1,000 exploration projects, only 100 required follow-up investigation, only ten were drilled and only one became a mine.

He leads an organisation set up last year to pull together the efforts of the prospectors' association, the Mining Association of Canada and all provincial and territorial mining associations, to counterbalance the influence of environmentalists over the question of land use and access.

The miners are constantly reminding their fellow Canadians how much wealth the country generates from its

mineral resources (excluding oil and gas): C\$30bn in exports last year or 25 per cent of the total.

A prospectors' association exercise focussing on the Ontario region, for example, shows that the total land area involved in mine properties is 26,000 acres or 0.01 per cent of the total. The value of mineral production (excluding oil and gas) generated from that small area in 1988 was C\$7.3bn of which C\$3.7bn went in taxes.

Flexing its muscles for the possible political battle ahead, the association commissioned some research that showed 70 per cent of Canadians would support minerals exploration in parks, wilderness and recreational areas and 50 per cent would also allow "limited" mining activity in such areas.

The Canadian miners hope to persuade their legislators to follow the example set by California. Even though it has a strong and well-organised environmental lobby, California recognises that paving over an orebody is wasteful. State law decrees that land must be assessed to see what minerals are present and they must be extracted before any development goes ahead.

Mr Ginn, the association's president, points out that each year every North American uses up products containing 40,000 lb of new minerals. "Reap a harvest and a new one comes along next year. Draw a bucket of water from a lake or well and it is replaced by normal rainfall. Mine a ton of ore and it is gone forever. We must replace it with the discovery of another ton of ore - that's what exploration is about. If exploration is seriously inhibited, then Canada's economic vitality will be sapped."

Profiting in the afternoon in London took the price back to \$249 a tonne, which still marked a rise of £17 on the day and £70 on the week so far. Analysts believe the tone of

the market has changed from bearish to bullish in the past 10 days. "Everybody is buying," said one yesterday. "Countries of origin do not have much to sell. We have seen a lot of bearish chart patterns, and there doesn't appear to be a single bearish factor."

In addition, many observers now believe that the surplus production this year will not be as much as initially expected. And while some traders dismiss as irrelevant the International Cocoa Organisation's decision last week to extend the cocoa agreement for two years from September with no economic provisions, the agreement has lifted the threat that the 250,000-tonne buffer stock would have to be sold.

Brazil to deregulate commodity exports

By John Barham in Brasilia

BRAZIL INTENDS to deregulate its commodity exports, sweeping away virtually all existing controls and red tape. Coffee and sugar, which were the most heavily regulated commodities, will in future be subject only to controls designed to prevent domestic shortages.

Details of the new policies are to be unveiled by next week at the latest, said Mr Jose da Cunha, the Assistant National Economy Secretary.

Mr da Cunha told *Gazeta Mercantil*, a Brazilian business newspaper, that "compared with the previous system, it will be a total deregulation."

Shocks to nearly all commodities have been halted since President Fernando Collor de Mello introduced rigid anti-inflation policies on March 15. Sales of coffee and sugar are the most affected as the reforms abolished the Brazilian Coffee Institute and the Sugar

Kenyan President Daniel Arap Moi has asked the top management of the country's main coffee producer, the Kenya Planters' Co-operative Union, and appointed a committee to probe the coffee industry, reports Reuters from Nairobi.

and Alcohol Institute, which oversees production, and exports of coffee and sugar.

The new Agriculture Minister, Mr Antonio Cabrera Filho, reassured coffee farmers that the government did not plan to auction the IB's coffee stocks in the near future. The stocks are valued at about \$3bn and their hurried sale would naturally depress prices.

Farmers are also pressing for government support to finance their stocks. Like all other Brazilians, coffee farmers' savings and working capital were frozen on March 15.

Cocoa surge continues

By David Blackwell

COCOA PRICES continued this week's surge in London yesterday, taking the second position futures contract to \$265 a tonne in early trading - nearly \$250 above the 14-year closing low of \$222 struck on February 8.

The increase was picked up in early trading in New York as concern increased over political unrest in the Ivory Coast, the world's biggest producer, and continuing dry weather in both Brazil and the Ivory Coast, leading to fears of damaged crops.

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Indian gold price bounces on policy uncertainty

By R.C. Murphy in Bombay

GOLD PRICES have bounced back at Zaveri Bazar in Bombay, India's main bullion centre, after a report about the country's gold policy.

Prices plunged late last month after the Government revealed plans to scrap the 28-year-old Gold Control Act. The Act prohibits individuals from holding unwrought gold and allows goldsmiths to keep only 100 grammes as stock in trade.

Only licensed traders are not subject to any restrictions, and the prospect of losing this privileged position sparked panic selling at the bazaar, tripping about 10 per cent off the country's inflated price.

But the announcement at the weekend of the official export/import policy made no mention of gold, and it seems that the report plan has been put on the back-burner while the Government grapples with more pressing problems.

Partly as a result of this the price has jumped by more than 7.5 per cent to Rs3,340 per 10 grammes (\$630 a troy ounce) from last week's low. The other bullish factor has been reduced availability of smuggled gold, the main source of supply in absence of official imports, following the start of Ramadan, the Muslim holy month.

Meat packers' mergers concentrate the minds of US cattlemen

Small producers are falling increasingly under the power of a few big buyers, reports Nancy Dunne

THE MERGER and acquisition binge which drove Wall Street in the last decade has accelerated concentration in the US beef industry, raising fears among small and even medium-sized ranchers that they must grow or go bust.

In a controversial report released last month, the National Cattlemen's Association predicted that the consolidation process would continue and might be "nearly complete" among meat packers. Although it warned against further concentration among the three largest packers, it acknowledged that further consolidation was likely.

Four meat packing companies now account for 69 per cent of the beef slaughtered on US feed lots, and they buy up enough from smaller packers to control 80 per cent of the

boxed beef which is processed and packed.

Most of the beef that is supplied to the companies - increasingly on a contractual basis - comes from feed lots. The number of lots has fallen to 46,000, and about 200 are so vast that they account for more than half of the 36m tonnes of feed lot products.

According to the NCA report, the cost and need for capital investment in the industry and the wide range of production costs threatens the poorly capitalised producers. It warns: "Competitive forces will probably overpower some producers if they delude themselves into thinking they can compete with larger commercial operators in the general commodity beef business."

Those who survive must move into "niche marketing" or into joint ventures or con-

tractual arrangements with large well capitalised firms.

Concern about the trend has, for the most part, bypassed Washington. Like the NCA, the Bush Administration generally views big business as necessary for international competitiveness.

While the spectre of thousands of industry bankruptcies might seem alarming, the NCA, a traditionally conservative group, failed to recommend strong federal action. Many ranchers, like Jeanne and Steve Charter, medium-sized Montana producers who attended the group's annual convention last month, convinced the membership to withhold approval of taskforce recommendations.

The Charters, backed by the Montana-based Western Organisation of Resource Councils, are pushing for a roll-back of

industry concentration, which some analysts say has consolidated even more than in the 1930s, when the trust-busters broke up buyer monopolies.

According to the Charters, the system that has evolved is not so much cost-efficient as it is reliant on the US cheap grain policy. Inputs, like drugs and hormones and commercial feed, are expensive and environmentally wasteful.

They fear that the beef and pork sectors will go the way of poultry, where producers are virtually required to offer their product in contractual arrangements with large poultry companies. The situation, they say, has required poultry producers to sell for whatever prices they can get.

Mr David Mayer, a producer of 4m lb of chicken a year, recently told beef ranchers in Montana that poultry profits

no longer filtered down from the company level.

"Everything we have is mortgaged against our facilities to raise chickens for the processors," Mr Mayer said. "The whole industry is integrated. We have no options other than contract growing. It's pretty much debt bondage."

In the West and Midwest, state governments have grown increasingly alarmed about the survival potential for family farms. The Montana and South Dakota state legislatures last year passed resolutions asking for investigations of the industry. The Minnesota and Iowa legislatures are now considering Bills to meet the threat.

Congressman Neal Smith, an Iowa Democrat who has warned of industry concentration for years, has little hope that states can reverse the

trend. Limiting ownership of packers in one state, will simply send their operations across state lines, he says.

An official of the Cattlemen's Association says the Federal Government should intervene, as a last resort, to prevent more mergers and acquisitions among the big three meat packers. But the Antitrust Division of the Justice Department shows no more life under the Bush Administration than it did under Reagan's, which simply reviewed beef sector mergers and approved them.

Mr Clayton Yetter, the US Agriculture Secretary, has allowed that the situation is "worthy of careful observation." But an aide to Congressman Smith scoffed at this, saying administrations for years had been saying the issue "needs some airing" - and doing nothing about it.

WORLD COMMODITIES PRICES

COCOA - London FOX			
	Close	Previous	High/Low
May	825	810	820-835
Jul	848	832	847-852
Sep	868	845	861-841
Nov	888	867	882-873
Jan	907	897	922-883
Mar	922	903	933-899
May	938	918	950-915

Turnover: 1253 (1558) lots of 10 tonnes
ICCO indicator price (\$208 per tonne). Daily price for Apr 4: \$248.18 (97.97) 10 day average for Apr 5: \$248.88 (97.97)

COFFEE - London FOX			
	Close	Previous	High/Low
May	730	705	720-715
Jul	702	682	710-695
Sep	705	691	720-704
Nov	721	705	730-716
Jan	732	716	740-720
Mar	743	728	754-748

turnover: 5103 (3999) lots of 5 tonnes
ICCO indicator price (\$208 per tonne). Daily price for Apr 4: \$248.18 (97.97) 10 day average for Apr 5: \$248.88 (97.97)

POTATOES - BSE			
	Close	Previous	High/Low
Apr	142.0	120.0	136.5-125.0
May	148.0	125.0	138.1-117.5
Jun	150.0	130.0	140.0-120.0
Jul	148.0	140.0	147.0-144.5

Turnover: 589 (476) lots of 40 tonnes
ICCO indicator price (\$208 per tonne). Daily price for Apr 4: \$248.18 (97.97) 10 day average for Apr 5: \$248.88 (97.97)

SOYABEAN MEAL - BSE			
	Close	Previous	High/Low
Apr	125.0	125.0	125.0
May	124.0	124.0	124.0
Jun	127.0	127.0	127.0

Turnover: 35 (20) lots of 20 tonnes

May	1440	1424	1440	1425
Jul	1278	1277	1280	1272
Oct	1370	1360	1375	1365
Jan	1380	1385	1385	1390
Apr	1403		1410	
BFI	1483	1499		

LONDON STOCK EXCHANGE

Brighter close to an erratic session

ANOTHER nervous and erratic session in London ended with equities moving up at the close as market strategists began to look for a rally in the Tokyo market, which has been unsettling world markets this week.

London was helped along by a firm opening to the new Wall Street session, and an early fall of 9.6 FT-SE points was reversed to show a final gain on the day of nearly 8 points.

Earlier, the UK market was badly unsettled by widespread reports of dire developments in Tokyo, where one or more of the Big Four Japanese investment banks were said to be "struggling". Such tales were

Account Dealing Dates			
First Dealing	Mar 28	Apr 5	Apr 30
Option Dealing	Mar 28	Apr 5	Apr 30
Last Dealing	Mar 28	Apr 5	Apr 30
Account Date	Mar 28	Apr 5	Apr 30

formally denied by the Tokyo Stock Exchange and swiftly died away.

London's relief that reports of imminent Japanese bankruptcies had proved much exaggerated prompted forecasts from several UK investment sources that Tokyo was on the brink of a bear squeeze.

The recovery in London market confidence was further encouraged when Salomon Brothers, the US house which was among the first to turn bearish on the Japanese market, shifted to a more optimistic stance. "We are now more bullish, having seen the pull back in Tokyo. The overnight rally there was 50 per cent genuine institutional support and the current level of Tokyo equities is compatible with the Japanese interest rates scenario," said Mr Chris Mitchell, Salomon's Japanese equity department.

However, there was still a lack of institutional interest in London. Seaq volume of 435.5m shares, against 605.4m on Wednesday, included the last of the special deals coinciding with the end of the financial year.

Equities opened uncertainly after the latest fall in Tokyo, notwithstanding the significant late rally there, and a setback in New York. Firmness in the pound and in UK Government bonds helped to steady equities for a while but shares turned off smartly when the wild tales of trouble in Tokyo circulated in London.

But once again the Footsie 2,000 area proved sound and the market began to steady on indications of a firm opening on Wall Street, which duly obliged with a gain of 5.85 Dow points within London hours.

The final reading showed the FT-SE index at 2,339.5, a net 7.9 up on the session. The equity market is now slowing down ahead of the end of the trading account.

The fortunes of the new account, extended to three weeks to cover the Easter holiday break, are expected to depend to an extent on the near-term performance of Tokyo. London's success in holding above the Footsie 2,000 testing level has strengthened hopes for a successful rally but only if other world markets lead the way.

Rover help for BAe

AN INCREASE in car sales by the British Aerospace subsidiary, Rover Group, against the background of a contracting market, helped BAe's shares put in one of the best performances of the day among FT-SE 100 stocks.

Rover had 15.3 per cent of the UK market in January compared with 13.5 per cent a year earlier. Mr Ed Wright at BAe said the figures were "very encouraging". Total car sales fell from 221,135 to 206,733 units.

BAe was also helped by widespread talk that a ruling by the European Commission - on whether BAe had effectively been subsidised in its acquisition of Rover from the UK Government - might favour the company. One agency broker was said to have been buying out-of-the-money call options. Analysts said the ruling is not expected before mid-April.

BAe climbed 18 to 528p on good turnover of 1.6m shares. Dealers noted US buying.

Premier advances

Premier Consolidated provided one of the best performances in the oil and gas sector following news of the company's second oil drilling success in Thailand.

Mr Peter Hitchcock, an oil analyst at Shearson Lehman Hutton, said the news raised the probability that the original oil discovery in the area, the Songkha field, is not an isolated field and Premier could have a grassroots position in a major new oil province.

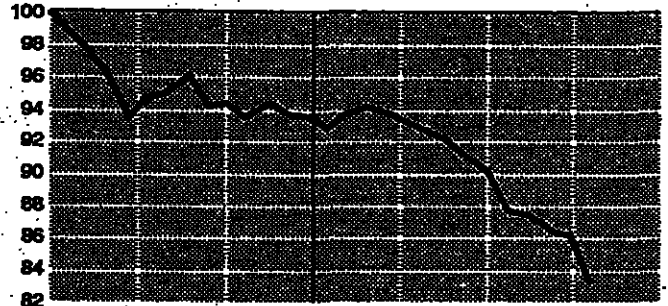
Premier said the Bua Ban Number One well, drilled in the Gulf of Thailand, had flowed oil at rates of up to 750 barrels a day. Premier did not reveal more details of the latest find, possibly because other oil companies are currently bidding in the latest Thailand licensing round.

The Shearson analyst said the discovery, although by no means large in North Sea terms, could be worth around 20p per Premier share.

Premier shares, depressed at the start of the week by talk of a big line of stock was on offer, moved up strongly to close 8 to the good at 107p and was also helped by news of a gas discovery in Sind province in Pakistan. Premier's success was reflected in a firm showing by Burmah Oil shares, which advanced 21 to 614p on turnover of 862,000. Burmah has a

Leisure

FT-A Index relative to the FT-All-Share Index



29.9 per cent stake in Premier and also a direct 16.2 per cent stake in the Pakistan gas find.

SEI attracted another keen two-way business, the shares sliding 3 more to 318 1/2p on turnover of 9.5m in the wake of persistent stories that a US acquisition could be on the cards, although analysts are becoming sceptical of such suggestions.

British Gas continued to suffer from worries about the UK political scene and drifted back 1 1/2 to 205 1/2p on 2.7m. The shares were also restrained by continued talk that the company has won the bidding to acquire the 20 per cent stake in the Huttonfield Refinery and company as much as 800m.

The Huttonfield refinery helped Ultramar, which has a near 38 per cent stake in the refinery, and the shares edge up 2 more to 370p.

Enterprise moved up 5 to 610p, with dealers still waiting for the probable placing of 100m shares at 600p.

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encouraging gas find in Block 43/17 in the North Sea, in which Monument has a 12 1/2 per cent stake.

Confidence in the property sector received a further boost from the disclosure that the UK arm of Olympia & York, the Canadian property group controlled by the Reichmann brothers, has taken an 8 per cent stake in Rosehaugh and that the move illustrates Olympia's "confidence in the underlying strength of the London property market".

Shares in Rosehaugh jumped to 238p on the announcement but lost impetus as Olympia said it had no intention of making a bid. By the close, the shares were little changed from overnight at 279p.

Some profits were taken in the stocks which had traded actively earlier in the week. Hammerman "A", which is still looking for takeover interest in the wake of its latest overseas venture, shed 7 of Wednesday's gain to end at 759p.

Westminster & Country Properties settled back by 10 to 160p as the market absorbed the news from the previous day of boardroom changes and a significant stake sale. Laing Properties, awaiting a resolution of the unwanted bid from P & O and Chasfield, continued to trade steadily around 550p, well below the bid terms and also below Laing's own asset valuation.

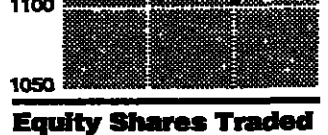
But British Land (48p) were still firm as investors looked for early developments on a new restructuring plan from the board, hoping that this time, the proposal will find agreement with Land's institutional shareholders.

A decline of 80 per cent in profits at Priest Mariani heightened the market's need

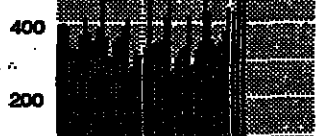
for news on the possibility of a bid from Grovewood Securities, as well as from the discussions with Priest's bankers on "a fundamental restructuring" of the troubled group's finances. Priest's shares lost 40 to 230p.

The water stocks came under renewed selling pressure. Dealers said the shares written in the face of continuing political uncertainties in the UK. "We've got the local government elections just round the corner and there are growing worries about the impact on utilities such as water stocks, and British Gas and Telecom, of the privatisation of the electricity companies later this year." They (the electricity stocks) will have to be sold on high yields to get the stock away and will be direct competition to the waters," said one dealer. The Water Package lost 25 to 5148p.

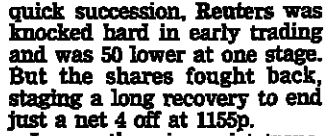
After several record highs in FT-A All-Share Index



Equity Shares Traded



Turnover by volume (million)



quick succession. Renters was knocked hard in early trading and was 50 lower at one stage. But the shares fought back, staging a long recovery to end just a net 4 off at 1155p.

In an otherwise quiet transport sector, P & O held up well ahead of Monday's ex-dividend date. The shares rose 5 to 560p, well below the bid terms and also below Laing's own asset valuation.

But British Land (48p) were still firm as investors looked for early developments on a new restructuring plan from the board, hoping that this time, the proposal will find agreement with Land's institutional shareholders.

have further to go. "We believe there is plenty of scope for profits downgrades," he added. Merchant banks showed Hambros 8 higher at 273p after a report that Banco Bilbao, which has a 6 per cent stake in Hambros, is unhappy with its present relationship with Hambros.

Dealers interpreted this as indicating Banco Bilbao may sell its holding. Baltica, the Danish financial services group, has a 1 per cent holding in Hambros, and is thought to want to forge much closer links with the bank. SG Warburg, a firm market recently, ran out of steam to close 11 down at 479p.

Preliminary figures from London's Manchester, the life assurance group, were well up to expectations and the shares moved ahead to close 6 higher at 311p.

Sum Alliance backed in the glow of positive press comment on its preliminary figures and the shares moved further ahead to close a net 8 1/2 higher at 312p on turnover of 2.5m.

Guardian Royal Exchange put on 6 to 232p, reflecting a bear squeeze.

Ferranti maintained their recent good showing, edging up to 46 1/2p prior to ending the day 2 1/2p firmer at 46p on turnover of 1.6m.

The shares said the shares were still responding to the recent series of presentations given by the company to big institutions, and also to the share purchases by the new chief executive.

A 48 per cent rise in full year profits to 262.4m from Queens Moat Houses helped the shares rise 92p. A positive analysts' meeting also helped sentiment. The results were in

FINANCIAL TIMES STOCK INDICES

	Apr 5	Apr 4	Apr 3	Apr 2	Mar 30	Year Ago	1989	Low	Since Completion
Government Secs	77.64	77.25	78.82	78.68	78.65	88.54	84.20	75.01	48.18
Fixed Interest	80.53	80.17	80.02	80.08	80.79	97.48	92.91	85.12	105.4
Ordinary Shares	1756.3	1749.7	1761.3	1748.1	1768.7	1884.2	1868.3	1745.7	2008.6
Gold Mines	258.0	257.4	256.5	253.4	274.7	188.9	378.5	253.4	734.7
FT-SE 100 Share	2236.5	2231.6	2240.7	2231.4	2247.9	2032.5	2463.7	2213.0	2463.7
Ord. Div. Yield	5.08	5.10	5.07	5.12	5.08	4.35	5.08	5.10	5.10
Earning Yld % (full)	12.08	12.13	12.07	12.18	11.97	11.03	12.08	12.13	12.13
P/E Ratio (Nett)	10.01	9.96	10.02	9.92	10.11	10.94	10.01	9.96	9.96

GILT EDGED ACTIVITY			
Index	Apr 4	Apr 3	Apr 2
5-Yr Average	79.9	80.5	81.2
5-Yr Average	83.4	87.2	87.2

TRADING VOLUME IN MAJOR STOCKS

Volume	Count	Day's	Price	Change	Volume	Count	Day's	Price	Change
ADT	1,100	100	1.00	0.00	ADT	1,100	100	1.00	0.00
ADT	1,100	100	1.00	0.00	ADT	1,100	100	1.00	0.00
ADT	1,100	100	1.00	0.00	ADT	1,100	100	1.00	0.00
ADT	1,100	100	1.00	0.00	ADT	1,100	100	1.00	0.00

Based on trading volume for most Alpha Securities dealt through the SEAO system yesterday until 4.30pm.

line with analysts' expectations, but dealers had taken a pessimistic view on Wednesday, selling the stock and sending the price down 5 1/2p.

Confirmation of market rumours, largely dismissed earlier in the week, that the managing director of Boots' Haldor division had resigned shocked the company's shares to 239p. Turnover was a busy 4.3m shares.

Mr Ian Staples, who is leaving Haldor to pursue a new venture outside of retailing, had been MD for four years. His replacement is Mr Brian Whelan, MD of the Boots Opticians chain of more than 350 stores.

A story that Williams Holdings was about to sell its Crown Paints operation did the

rounds and sent the company's shares 11 better at one point. But dealers and analysts quickly expressed the view that Williams was unlikely to sell Crown without its other paint brand Berger and the shares eased to 258p, a net improvement of 8p. The recent bid talk surrounding Cadbury Schweppes seemed to spill over into other food manufacturing stocks. The most visible beneficiary was Ranks Hovis McDougall. County NatWest Wood Mac pushed the stock early in the session in anticipation of a ruling from the Californian insurance authorities, due on Monday, relating to Hovis's bid for B&W Industries. They are examining the potential sale by Hovis of B&W's US insurance subsidiary Farmers

to Axa-Midi of France should the consortium gain control of Bats.

Hovis has a 29.9 per cent stake in RHM and it has long been suggested that if it is frustrated in its attempts to buy Bats it might turn its attention to RHM.

Other foods also had a good day. Borden's firm 3 to 149p. New-time buying pushed turnover to 2.7m shares as dealers spoke once more of the likelihood of a bid from Tate & Lyle. The figure being bandied about was an offer of 175p. Tate responded by underperforming the market and closing unchanged at 278p.

■ Other Market Statistics. Including the FT-Averages share index. Page 32

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Senior posts at Save & Prosper

SAVE & PROSPER GROUP has made the following appointments. Mr Colin Rye takes responsibility at group level for the insured products division, and is additionally appointed managing director of Save & Prosper Insurance. Mr Shaun Askey becomes managing director of Save & Prosper Sales.

Mr Nigel Griffiths, company secretary, has been promoted to the boards of SECURICOR GROUP and Securicor Services.

Mr Richard W. Pogue has been appointed a non-executive director of REDLAND. He is managing partner of Jones, Day, Reavis & Pogue, an international law firm based in Cleveland, Ohio.

Mr Peter Carey, chairman of Delgaty, is to join the board of AQUACUTUM as a non-executive director.

Mr C.M. Scott as an executive director. He remains managing director of the retail division.

Mr E.H. Roberts has been appointed commercial director of INFORMATION SYSTEM NETWORKS. She was formerly

APPOINTMENTS

manager of corporate systems at the Water Research Centre, Medmenham.

Mr Clive Penn-Smith, who worked for the Barclays group from 1980, has been appointed to the board of PORTSMOUTH BUILDING SOCIETY.

Mr Robin Davies has been appointed vice president marketing and sales, HERTZ EUROPE.

TOSHIBA INFORMATION SYSTEMS (UK) has appointed Mr Tony Sweeney as general manager, facilities and telecommunications division. He was a director of Dial-a-Phone.

Mr Iain Lumsden (above) has been elected finance director of STANARD LIFE ASSURANCE CO, Edinburgh. He was general manager (actuarial).

Mr John Bradley has been appointed managing director of H.R. OWEN, part of the Heron Motor Group. He was a main board director of the TWR Group.

Mr Bob Todd has been appointed financial and operations director of COMPAUD CORPORATION, Bristol. He was director of financial planning for IBM in the US. Mr Matthew Line becomes UK sales director.

HIGGS AND HILL HOMES has appointed Mr David P. Treaslove as finance director.

BUTLER HARLOW HOLDINGS

BUTLER HARLOW HOLDINGS, money and securities broking division of MAI, has appointed Mr Stuart Mackenzie as senior managing director of Butler Harlow Ueda with responsibility for the currencies and sterling divisions. He has been succeeded as managing director of the sterling division by Mr David Pippard, and Mr Bill Sargeant becomes deputy managing director. Mr Bob McMurtre has been made managing director, marketing, and been succeeded as managing director, currencies division, by Mr Alan Nicholls. Mr Stephen Raven has been appointed chairman of Garbun Holdings, a new subsidiary, and Mr Pat Turnbull becomes managing director responsible for equity broking in Europe, with Mr Charles Pender as managing director responsible for fixed interest broking in Europe.

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CREST NICHOLSON

CREST NICHOLSON has appointed Mr Peter Murray (above) as chief executive of its commercial property division; Mr Andrew Yates becomes managing director of Pearce Developments; and Mr Neville Walker is made managing director of Crest Estates.

Mr John Bradley has been appointed managing director of H.R. OWEN, part of the Heron Motor Group. He was a main board director of the TWR Group.

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Over Fifteen Years

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INDUSTRIALS (Miscel.)—Contd

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GUERNSEY (SIB RECOGNISED)

Global High-Tech Bd Fd	19.70	20.62	40
USS Bond Fund	21.49	22.98	40
Gilt & Stgy Bond	9.46	9.92	40
Global High-Tech Bd Fd	19.70	20.62	40

U.S. Dollar	34.608	34.608	34.609
Deutschmark	66.278	66.278	66.279
French Franc	171.67	171.67	171.68
Swiss Franc	54.682	54.682	54.683

Westbourne, The Grange, St Peter Port	04812
Island	= 652.7m 670.7 -1.2
Accum (alt)	= 1290.4 1325.4 -3.4

CCFL ECU	Ex28.8	15.63	-0.004
CCFL B/F	INCH21	829.8	+0.2
CCFL P/F	FIR0475	104.075	-0.005
CCFL N/A			

ERSEY (STR RECOGNISED)

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Yen firms on position squaring

THE DOLLAR was slightly weaker against the yen and D-Mark yesterday as positions were squared ahead of the Group of Seven meeting in Paris at the week-end. Rumours of financial problems, involving a Japanese broker, have had more impact on bond markets than on the foreign exchanges.

Profit-taking, as long positions in the D-Mark were unwound against the yen, pushed the West German currency down to ¥22.75 at the London close, from ¥23.24 at the Tokyo finish and from ¥23.25 in London on Wednesday. Market opinion suggested that a continued adjusting of positions ahead of G7 may bring the D-Mark down to ¥23.50, but this could soon be reversed if the Paris meeting fails to produce concrete measures to support the yen.

The market also awaited news from the trade talks between the US and Japan which began on Monday, amid suspicions that these discussions and the G7 meeting may be connected, as the US looks for Japanese concessions on trade before agreeing a package of support for the yen. On the other hand the US may be wary that loss of confidence in Tokyo does not spark a sell off of US assets by Japanese investors.

2 IN NEW YORK

	Apr 5	Latest	Previous
Spot	1.6425-1.6430	1.6425-1.6430	
3-month	2.80-2.81	2.80-2.81	
6-month	2.81-2.82	2.81-2.82	
12-month	2.82-2.83	2.82-2.83	

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Apr 5	Latest	Previous
2.30 am	88.1	87.4	
5.00 am	88.1	87.4	
10.00 am	88.1	87.4	
1.00 pm	88.1	87.4	
3.30 pm	88.1	87.4	
4.00 pm	88.1	87.4	

CURRENCY RATES

Jan 5	Bank rate %	Special Rights	European Currency Unit
Sterling	-	0.743691	0.731260
US dollar	-	1.24801	1.20777
Swiss franc	13.32	1.1511	1.04994
Japanese yen	6.0	1.1511	1.04994
Belgian franc	10.0	0.55991	0.42367
Dutch guilder	10.0	0.37239	0.35239
French franc	10.0	0.20441	0.19360
West German D-Mark	10.0	2.48599	2.30424
East German Mark	10.0	2.48599	2.30424
Italian lira	17.0	1.2004	0.88165
Spanish peseta	16.0	1.2004	0.88165
Portuguese escudo	16.0	1.2004	0.88165
Yugoslav dinar	16.0	1.2004	0.88165
Czech koruna	16.0	1.2004	0.88165
Slovak koruna	16.0	1.2004	0.88165
Hungarian forint	16.0	1.2004	0.88165
Romanian leu	16.0	1.2004	0.88165
Bulgarian lev	16.0	1.2004	0.88165
Greek drachma	16.0	1.2004	0.88165
Israeli sheqel	16.0	1.2004	0.88165
Indian rupee	16.0	1.2004	0.88165
Pakistani rupee	16.0	1.2004	0.88165
Sri Lankan rupee	16.0	1.2004	0.88165
Thai baht	16.0	1.2004	0.88165
Malaysian ringgit	16.0	1.2004	0.88165
Singapore dollar	16.0	1.2004	0.88165
Philippine peso	16.0	1.2004	0.88165
Indonesian rupiah	16.0	1.2004	0.88165
Chinese yuan	16.0	1.2004	0.88165
Vietnamese dong	16.0	1.2004	0.88165
Laotian kip	16.0	1.2004	0.88165
Myanmar kyat	16.0	1.2004	0.88165
Nepalese rupee	16.0	1.2004	0.88165
Bhutanese ngultrum	16.0	1.2004	0.88165
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CANADA

Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng		
TORONTO																															
2pm prices April 5																															
Outlookers in cents unless marked *																															
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TOKYO - Most Active Stocks
Thursday April 5 1990

Stocks	Closing Traded	Change Price	on day	Stocks	Closing Traded	Change Price	on day
Fitchi	34.8m	1,650	+70	Toshiba	10.2m	1,080	+80
Nippon Steel	58.8m	540	+30	Mitsubishi Hy I	8.4m	850	+45
SEC	25.9m	2,240	+70	Suntory Metal	9.1m	520	+22
Caslon	17.2m	1,610	+30	Kawasaki Steel	8.1m	520	+29
YKK	11.4m	300	+21	Mitsubishi To Co	6.4m	1,000	+40

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on Page 51

هبة من الأصل

NASDAQ NATIONAL MARKET[illegible]

**3pm prices
April 5**

[illegible]

FINANCIAL TIMES

JOBS

Benefits and costs of working freelance

By Michael Dixon

Credit Analysis

City Variable

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International Recruitment Consultants
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WHAT price independence? Was Edward Gibbon right to call it "the first of earthly blessings", or is it just one of the more common, at best mixed kind?

The answer, according to a very timely survey, varies with how the blessing was gained. For independence is like greatness in that, besides those who either inherit or achieve it, there are others who have it thrust upon them. And of the three groups, the "others" are not only the biggest but the most rapidly increasing.

The reason is not hard to find: now famous companies are scripping their multi-layered empires in the hope of having decisions taken within sensible reach of where customers are served. But BP, British Telecom and the like are merely following a well established trend.

For years employers have been cutting full-time staff to the small core the business constantly needs, and buying in less frequently required services from outside. Hence innumerable managers and specialists have been pitched out of salary dependence on to their independent wits.

Many of those unable to find a new job quickly seek help in selling their self-employed services from "executive-leasing" agencies,

including Britain's GMS Consultancy which at any one time has about 2,000 freelancers in its lists. While their skills are widely assorted, all are of fairly senior standing in the sense that, if in a conventional job, they could expect a salary of £25,000 at least. But since little else was known of their doings, GMS surveyed 311 of them to find out.

Of the 270 aged under 60, almost three fifths had been operating as independent consultants for over a year: GMS calls them the mainstream set. The newcomers, under-60s with a shorter time on their own resources, numbered nearly 100.

Some 40 per cent of the less experienced had had independence thrust upon them in the shape of the sack. Other "push factors" such as lack of prospects accounted for a further 29 per cent. The mainstay of the industry, however, had taken up their freelances rather more voluntarily, 34 per cent having been thrown out and 31 others pushed.

But the next strongest impeller - cited by more than a quarter of each set - was a positive urge to work independently. What's more, financial independence was thought the main attraction of doing so. An idea of how far it was being attained is

What independent consultants expect and get per day

Activity	Minimum		Average		Maximum	
	Expected	Achieved	Expected	Achieved	Expected	Achieved
Gen'l mgt	120	80	359	278	750	600
Marketing	150	130	350	268	600	400
Engineering	100	50	291	230	550	500
Finance	140	100	293	218	750	540
All	80	50	313	245	750	750

given by the table above, outlining the gross daily rates hoped for and got.

On the individual plane, however, the differences were far wider than the table suggests. Earnings ranged from £250,000 for a specialist in corporate finance, to "nothing so far" for one in international commercial banking who has language skills to boot. "There are quite a few executives who are earning inadequate incomes and are clearly suffering," adds the survey report.

They no doubt explain why the ranking of financial independence as the best attraction of freelance work was balanced by the naming of financial uncertainty as the second worst worry. The

*£19.50 from GMS Consultancy, 48 High Street North, Dunstable, Bedfordshire LU6 1LA; tel 0532 668970.

only bigger bugbear was uncertainty about getting assignments or, in other words, "down time".

On average, the longer experienced people spent 59 per cent of their hours available for work on paid assignments, compared with the newcomers' mere 41. Down time - as distinct from marketing, administration, holidays, and illness - accounted respectively for 17 and 24 per cent.

But GMS says the most prosperous freelancers did not think of down-time as such. They saw it as space for extra marketing and other development work. Whether that is what they really did in the free hours probably matters less than the fact that they spared themselves depressing thoughts.

For those emotionally robust enough to withstand the anxieties, however, wideawake marketing paid

off. By far the largest source of assignments was business contacts nurtured since becoming self-employed. The second largest supply - contracts gained through agencies such as GMS - was only half as big.

Which marketing method worked best was much more puzzling. Every one that succeeded for some, failed for others. "The answer has to be that everything works if you know how to make it work," chirps the report.

That truism nevertheless points up the finding that less than a quarter of the freelancers had taken any training of a technical kind, and even fewer in running a small business. The reason is not just laxity, GMS says: "Much training is seen by independents as unattractive due to gross overpricing and inefficient quality."

Even so, the prosperous operators are those who keep technical and business skills up to date. Moreover, the chances of success appear to be better for people who choose to enter consultancy, after thoughtful preparation, than for those pitched into it by the sack.

As for the worth set on independence, only 35 per cent of the mainstays were committed to it. While the rest said they would like

to return to a conventional job, however, only 17 per cent were actively seeking one. So it seems that, for the majority, independence is at least a tolerable blessing.

Dearest 20

HERE, for the benefit of much travelling readers, is Employment Conditions Abroad's list of the 20 most expensive cities to visit, in terms both of full daily cost of stay and the price of a meal in a top restaurant. (Currency conversions at rates of March 12.)

City	Total daily cost	Meal per head
Oslo	208	58
Copenhagen	206	56
Stockholm	194	56
Baghdad	193	42
Paris	182	42
Helsinki	174	59
Milan	171	37
London	171	42
Khartoum	170	28
Tokyo	169	76
Geneva	168	45
Taipei	165	42
Kinshasa	158	35
Amsterdam	156	28
Rio de Janeiro	155	52
New York	154	41
Seoul	153	63
Brussels	150	40
Lima	149	21
Frankfurt	148	43

RATHBONE

INVESTMENT MANAGEMENT
UK EQUITIES
£25,000 to £60,000

The ever increasing level of recruitment activity in this area, is such, that UK Equity Fund Managers, who have until now hesitated to explore a variety of opportunities, may be persuaded by the prospect of a more secure, long-term, and handled by the Investment Management team at Rathbone UK.

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We are also interested in meeting individuals with investment marketing experience. A thorough understanding of investment management techniques, with excellent presentation abilities are prime requirements.

Please contact Barbara Dabek or Lydia Wann on 01-867 8899 or evenings after 6.30pm on 0634-263534.

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The department has an exceptionally strong record in the field of project finance. It is concerned with the evaluation, development and financing of major infrastructural and industrial projects around the world. It also advises the UK and other governments on a wide variety of issues ranging from bid evaluation to privatisation.

We wish to fill two posts, one likely to appeal to a graduate in the mid-twenties and the other to a graduate in the late twenties to early thirties who will probably be an ACA.

Essential qualities for both candidates will be an outstanding academic record and strong numerate and analytical powers combined with good oral and written presentation skills. Selection will be based primarily on the qualities above but the following qualifications are likely to be an advantage:

an MBA from a leading school, fluency in Spanish or German (or possibly another European language), demonstrable computing science skills, experience in the project financing field or in commercial banking.

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Schroders

IBJ
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You will have acquired 1-2 years' experience in Capital Markets transactions either at a City law firm or another leading investment bank. You will be a thorough professional, with excellent written and oral communication skills, a dynamic worker and an enthusiastic team player.

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Candidates, with suitable academic qualifications are likely to be in their forties and will have held a senior banking position for at least five years. While fluency in Arabic will be an advantage the remuneration package will not be an obstacle for the selected individual.

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Post of Chief Executive - 1040
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The individual will have confidence in their own ideas and be able to guide other team members accordingly.

Candidates wishing to apply should be graduates with good computer skills and will ideally be aged between 27-35.

For further details please contact Julie Byford or Joe Kelly on (01) 583 0073 (Day) or (01) 540 9330 (Evenings and Weekends), or send your CV in complete confidence to:
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Salary neg. £30-£45,000

A marketing professional able to mastermind the banks entry into this specialised field, essential is a track record in manufacturers' financial sales support programs residuals, operating leases, joint ventures etc.

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THE POSITION

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QUALIFICATIONS

Graduate, ideally accountant, possibly lawyer, late 20s to early 30s.
Acute financial skills. Corporate finance training in merchant bank, broker or major plc, perhaps an oil company. Knowledge of Yellow Book and financial investor relations.
Tough, tactful, articulate team player. Sense of humour and drive.

Please write, enclosing full cv, Ref J1257R
54 Jermyn Street, London, SW1Y 6LX



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HEYTESBURY (U.K.) LTD.

SENIOR EXECUTIVE

- * Excellent Property Related Career Role
- * Background in the Professions or Property
- * Opportunity to manage major portfolio

Heytesbury (UK) is part of a private international group that owns the Stoll Moss Theatres group which comprises 13 theatres, together with associated contiguous development property in the West End of London. A senior executive is required to actively run the property division as well as providing leadership to a management team comprising Building, Architectural and Technical Services associates. Activities in this division range from property development, theatre redesign and refurbishment to the efficient operation of backstage services and auditorium comfort.

As this newly created position is primarily property related, experience in acquisition and disposal of property, freehold and leasehold management as well as exposure to planning procedures would be advantageous. However, a skilled negotiator and leader with a pragmatic and intelligent approach is definitely required and applicants with backgrounds not exclusively in property are encouraged to apply.

Negotiating on behalf of the company is a major function in areas such as rent reviews, dealing with leases, preparation of planning applications and maximising options available to the group. The person must be pro-active with a professional network to provide advance market intelligence.

Applicants could be Chartered Surveyors or from the professions in areas such as Architecture, Law or Accounting. We anticipate the person to have 10 years relevant experience and a career history and reputation that identifies the person as being at the top level of their profession.

A remuneration and benefits package will be tailored to suit the calibre of person we require.

Applicants are encouraged to pursue this very unique opportunity by writing to D. Williams Esq., Manor House, 21 Soho Square, London W1V 5ED

TULLETT & TOKYO

(AUSTRALIA) Pty. Ltd

Require a senior experienced Pit Trader to trade on the SFE

Tullett & Tokyo Australia Pty Ltd are the largest of the international money broking companies operating in Australia with a staff of around 170, and are the only one to own a full floor membership of the Sydney Futures Exchange. They have offices in Sydney and Melbourne.

The turnover of business on the SFE is growing substantially and in 1989 the total turnover exceeded 11,000,000 contracts. These are predominately local rather than international with the most active being the 90 Day Bank Bill Contract followed by the 10 year Commonwealth Govt. Bond. The related options markets have also shown substantial growth.

Tullett & Tokyo Australia are regarded as the number one Futures broker in Australia. Due to the volumes of business now being handled by the company and through the expected growth in exchange volume and our market share, we have the requirement for a senior pit trader experienced in volume spot and spread trading. The company will act as sponsor and will assist in the immigration process for the successful applicant.

The Joint Managing Director of Tullett & Tokyo Australia Pty Ltd, Mr George Macdonald, will be in London to interview applicants from the 9th to the 11th May 1990.

In the meantime, applications should be addressed to Mr M.J. Stiller, Managing Director, Tullett & Tokyo (Futures & Traded Options) Ltd., Cable House, 54-62 New Broad Street, London, EC2M 1JJ.

All applications will be treated in the strictest confidence.

SENIOR RELATIONSHIP BANKERS

Citicorp's Financial Institution Group's business is one of its most significant, providing services to the financial sector, insurance industry, banks, building societies and investment institutions.

We have opportunities for senior relationship bankers with a broad range of experience to join the Group as key players opposite some of our major customers. The main objective is to strengthen our Group, delivering the full range of Citicorp's capability to the customer base.

Successful applicants are likely to have a minimum of five years experience in relationship development particularly at senior level, together with well developed credit analysis skills and the initiative and determination to identify and develop business opportunities.

As part of our senior customer team, these roles carry commensurately competitive salary and benefits. It is unlikely that anyone earning less than £35,000 per annum will have the required skills and experience to succeed.

Those keen to make their mark with one of the world's largest financial institutions should send a full CV and covering letter to: Jeremy Orbell, Citibank N.A., 3rd floor, Cottons Centre, PO Box 200, Hay's Lane, London SE1 2QT.

CITICORP CITIBANK

**US Equity
Analyst
International
Investment
Management
to £25,000**

Our client is the London based subsidiary of a well-established European Bank with a concentration on asset management and an enviable record of dynamic growth. The firm's success and reputation is a direct result of its long-term commitment to research and the maintenance of traditional close links with investors via a network of global subsidiaries.

An analyst is now sought to strengthen its expertise in North American research. Joining as a key member of the team, the appointed individual will be a graduate, aged early/mid 20's, able to demonstrate an excellent track record of effective stock analysis with particular emphasis on the US equity markets.

The organisation offers a professional working environment together with an attractive package including benefits consistent with the remuneration policy of a leading financial institution.

For further information please telephone or send your CV to Stephanie Devine, Joslin Rowe Associates (Financial Recruitment Consultants), Bell Court House, 11 Blomfield Street, London EC2M 7AY. Tel 01-638 5286. Fax 01-382 9417.

JOSLIN ROWE
banking

Corporate Banking to £35,000 + car

This is a prominent international banking group with an enviable reputation in the UK corporate market where it provides both commercial and investment banking products across a range of industry sectors.

As a result of increased activity an additional Account Manager is currently sought. Aged 28-35, you should have strong credit skills (a formal training is preferred) and a proven track record in business development in the medium and/or large UK corporate sector.

This is an organisation which puts the emphasis on reward by performance whilst at the same time recognising the importance of the team effort. With further growth already planned for the UK corporate area there is ample scope for those who now seek a long-term move.

In the first instance please telephone Loretta Quigley on 01-489 9494 (Fax 01-236 6118) or write sending a detailed CV to 12 Groveland Court, Bow Lane, London EC4M 9EH.

CONSULTANTS IN HUMAN RESOURCING

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EQUITY TRADING RESEARCH FOR 1988 AND 1989 GRADUATES

Our client is a leader in the rapidly growing international derivative markets, employing over six hundred people in several international offices. As principal traders they have an outstanding opportunity in their London equity research department.

Based in the dealing room this small team gathers and interprets all corporate news pertinent to FTSE 100 stocks. With the ability to quickly identify and quantitatively assess price sensitive information they have immediate input into strategic trading decisions.

Preferred applicants will have a related degree and some fundamental research skills gained from similar work experience. However all applicants should:
* Have the assertiveness and communicative ability to present information to dealers
* Have a genuine interest in the UK equity market
* Have the ability to assume early responsibility.

The successful applicants will be offered salary and benefits fully commensurate with their skills and prior experience.
For a confidential discussion of the above please telephone Veronica McPake, alternatively send a CV and covering letter to:

Recruitment Matters Ltd.
15 Great Eastern Street - London EC2A 3EJ
01-377 1600

Fax 377 1801

مكتبة لوتس

Venture Capital

Experienced ACA
£40,000 + Bonus

We are acting on behalf of one of the leading UK venture capital firms who seek to recruit an outstanding, experienced ACA. Operating within an existing team, the appointed individual will contribute to the success of investee companies from small start-ups to major management buy-outs. This will involve the evaluation of business plans, market analyses and the appraisal of management in order to assess the investment potential. Applications are invited from qualified ACAs who have gained at least three years' experience in a commercial accounting role in industry. Candidates will need to combine a superb intellectual ability with a strong commercial outlook.

Recently Qualified ACA
To £30,000

A tremendous opportunity has arisen for an exceptionally high calibre individual to join one of the major forces in the development capital industry.

To be considered for the role you will need to be highly intelligent as will be demonstrated by a first class academic track record. As an ACA in a 'Top Ten' firm you will preferably have gained some investigations or corporate advisory expertise. In addition, strong communication skills, both oral and written are mandatory.

These are both excellent opportunities. If you would like to discuss these positions further please contact Penny Bramah on 01-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City
International Recruitment Consultants

BOND OPTIONS TRADER

£80,000

A leading international securities firm with an established reputation in the Capital Markets is seeking a dynamic bond options trader for its embryonic derivatives team. Whilst exposure to Bunds and OATS would be a bonus, it is experience of US dollar denominated bonds that is of paramount importance. Trading limits will be commensurate with the track record of the individual appointed as will the final remuneration package. Ideal candidates will be graduates in their late 20's with about four years' experience within an active options trading house.

CORPORATE SALES

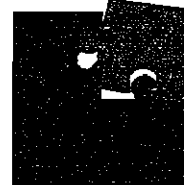
£45,000

The expanding new products group within an innovative and highly profitable bank, requires an incisive marketing professional to promote Interest Rate Swaps, Options, FX and Off Balance Sheet products to a UK client base. This base encompasses pension funds, large corporates and financial institutions. Opportunities for career progression are unparalleled for the appointee who is likely to be a graduate between 25 and 30 years of age.

Interested applicants should apply in writing or by phone to Anthony Isern at:

JAC Recruitment
3rd Floor • Dauntsey House
Frederick's Place • Old Jewry • London EC2R 8AB
Tel: 01-796 3132 • Fax: 01 796 4620

J A C



RECRUITMENT

SWAPS

two quite outstanding opportunities

Svenska Handelsbanken, one of the largest Banks in Sweden, has already established highly profitable Swaps operations in London and New York. As part of continued expansion, and in order to complete a global network, a new unit is to be set up in Hong Kong, covering the Far East markets.

Head of Swaps

This crucial role will require a combination of technical trading skills and the personal qualities, independence of spirit and energy necessary to develop a new operation.

Ideal candidates, probably in their late twenties/early thirties, will have first class academic credentials reflecting a highly numerate background. Three years' experience of Swaps trading is seen as the minimum in addition to at least sound theoretical knowledge of Options.

Exposure to the Far East markets would be of particular interest but is not essential. The need for communication skills of the highest order, tact, diplomacy and the personality best suited to engender real team spirit is of paramount importance.

A full expatriate package will be available, to be tailored to meet the individual needs of the highest quality candidates.

Ref A2770

Hong Kong

Trainee/Junior Trader

London

This is a superb opportunity to learn from acknowledged experts in the Swaps area. Ideal candidates will be graduates in their early twenties with around one year's City experience, preferably, but not necessarily, within a trading environment. A general banking background could be of interest providing that the inherent trading instinct is evident.

Computer programming skills would be a considerable advantage coupled with a high degree of numeracy and a detailed thorough approach. This is no sinecure so that candidates will require enormous levels of energy and, crucially, that strong desire to learn. The salary package is unlikely to disappoint.

Ref A2780

Please send full career details quoting the appropriate reference to Malcolm Lawson at Codd Johnson Harris, Human Resource Consultants, 12 New Burlington Street, London W1X 1FF or alternatively telephone 01-287 7007 during the working day or 0444-73216 in the evenings.

CJH Codd-Johnson-Harris

FIXED INCOME SALES

City

Negotiable salary + excellent company benefits

The Credit Lyonnais Group is one of the world's leading banks employing over 58,000 people in over 70 countries. Credit Lyonnais Euro-Securities Ltd., part of the Capital Markets Division, specialises in the international bond markets, originating and making markets in Sterling and Canadian Dollar Eurobonds, and marketing the Group's multi-currency fixed income products.

We are now actively seeking an experienced Salesperson to reinforce our London team. With a list of well established UK clients, you will be selling all fixed income products of the Credit Lyonnais Group, i.e. Eurobonds and Domestic (OAT, Gilts and Bund).

The ideal candidate will be around 30 years of age, with 3-4 years' experience in the Eurobond markets. Essential qualities are energy and drive and the ability to work well in a team environment. The ability to speak French would be a distinct advantage.

The starting salary will be negotiable according to experience plus performance-related bonus and other excellent company benefits such as private medical care and non-contributory pension scheme.

In the first instance please send your c.v. and details of current remuneration to Miss J. Rowsell, Personnel Manager, Credit Lyonnais Capital Markets, Broadwalk House, 5 Appold Street, London EC2A 2DA.



CREDIT LYONNAIS EURO-SECURITIES LTD

CJA

RECRUITMENT CONSULTANTS GROUP
3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

A challenging appointment - opportunity exists to manage funds and to become solely responsible for a geographical area

FUND MANAGER - CONTINENTAL EUROPE

LONDON BASED

£23,000-£32,000

HIGHLY SUCCESSFUL INTERNATIONAL FUND MANAGERS

This new appointment calls for candidates, aged 23-30, with a strong research background and a minimum of 18 months practical experience in fund management and ideally, exposure to Continental European markets. After a familiarisation period, responsibilities will grow into both the management of funds and researching a broad range of Continental European companies to maximise performance. The successful candidate must be of sufficient personality to make a significant contribution to a highly effectively small team. Initial salary negotiable, £23,000 - £32,000 + discretionary bonus and non-contributory pension. Candidates wishing an initial discussion please telephone: 01 638 0680. Applications in strict confidence under reference FMCE471/FT, to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

Shepherd Little & Associates Ltd

Banking Recruitment Consultants

MANAGER - FINANCIAL ADMINISTRATION

£35,000

Due to internal promotion, a city based international bank is wishing to recruit a senior accounting officer. Working closely with the operations manager the successful candidate will take control of all accounting functions. Applicants will be fully or part qualified accountants and have extensive experience in all aspects of management and regulatory reporting. Other responsibilities will include development and implementation of accounting procedures, therefore computer literacy is a pre-requisite for this challenging position.

SENIOR CREDIT OFFICER

£27,000 + CAR

Due to expansion, our client, a well respected international bank, is seeking a senior credit analyst, reporting to head of credit. Applicants must have proven credit analysis experience combined with the drive and confidence to aspire to a marketing role within 2 years. Duties will include supervision of the credit committee and junior staff. This is an excellent career move for someone aged about 28, with at least three years experience, seeking increased challenge and responsibility.

For either of the above please contact Keith Snelgrove.

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

MARKETING MANAGER - BIRMINGHAM

MAJOR INTERNATIONAL BANK
c£27,500 + Car + Benefits

One of the World's premier Banks seeks to appoint a capable and career-orientated Banker to the above position. Based in the Birmingham Branch, the appointee will be responsible for the marketing of a full range of products and services, together with the development of relationships with major corporates in the Birmingham/Midlands area.

Candidates should be Graduates, probably aged between 28-35, and must possess an in-depth Credit/Marketing background, spanning at least five years.

Commercial familiarity with the above geographical area is essential

In addition to the negotiable salary, the Bank offers a comprehensive range of benefits, including mortgage subsidy.

To discuss this position further, in complete confidence, please contact:

ROD JORDAN (Director)
CAREER PERSONNEL LIMITED, 48 Cornhill, London. EC3V 3PD 01-929 0909

Capital Markets Investor Strategies Group

Fluency in French or German
c. £50,000 + Bonus

A major international investment bank has established a London-based investor strategies group. This small department is responsible for developing relationships with leading institutional investors throughout Europe, analysing their requirements and producing creative solutions.

Candidates are likely to have 3-5 years' experience in capital markets, either on origination or trading. They should be highly numerate and have a natural commercial flair. An advanced scientific or engineering degree would be a plus. Fluency in French, and/or German is essential.

This position will offer excellent career perspectives within a highly regarded capital markets department.

If you feel you can take up the challenge, send your CV to Michael Swaine, B&B Selection, at the address below.

B&B

B & B Selection

Griffin House, 161 Hammersmith Road, London W6 8BS.

international insider

International Insider is planning to launch a new screen-based commentaries service on the Eurobond market and is seeking editorial staff, to be based in the Fleet Street office. Successful applicants will have considerable experience of the Eurobond market and will be familiar with bond analysis techniques. Applicants should write in confidence, enclosing a full CV, to: The Editor, International Insider, Ludgate House, 107 Fleet Street, London EC4A 2AB.

NEW TOP EXECUTIVE JOBS

IS YOUR AMBITION TARGET?

Since 1980 we have been providing support services to executives seeking new general management or financial appointments. We offer a confidential meeting which is without obligation. For a confidential meeting which is without obligation, please contact our Executive Expert Service.

Connought Mainland

22 Suffolk Street, Birmingham B1 1LS 021-643 2924

GLOBAL CUSTODY SENIOR ACCOUNT MANAGER

City
c£25,000

A major International Banking institution seeks to recruit an experienced Global Custody Account Manager, whose principal responsibilities will be the marketing of Global Custody, Common Depositary, and Paying/Fixing Agency business, together with the management of a small team involved in processing client orders.

The ideal candidate will possess excellent management and presentation skills with a particular flair for marketing, and will be able to demonstrate the enthusiasm and commitment required for this high profile role. A good general knowledge of banking and securities is essential and a familiarity with the Primary Eurobond market would be additionally beneficial.

The position offers a competitive remuneration package including a performance related bonus, mortgage subsidy, non-contributory pension scheme and private medical insurance.

Please reply in confidence, with full curriculum vitae, quoting ref MSF to:-

Dalby Walter Judd Limited (Ref: M.141)
104-110 Goswell Road
London EC1V 7DH

FOREIGN EXCHANGE

BUTLER HARLOW UEDA LIMITED

have positions available, in the areas of forward foreign exchange for brokers with a minimum of 2 years' experience. Successful applicants can expect a competitive salary, plus bonuses, and fringe benefits.

Applications should be made, in writing to:

GRAHAM REEKIE
BUTLER HARLOW UEDA LTD
ADELAIDE HOUSE
LONDON BRIDGE
EC4R 9HN

Oil Market Consultancy Service

Oil market Economist/Analyst, World Bank Consultant, (PhD, Dip., MCIM, MSIM) is available to undertake any Oil consultancy work, oil markets research and analysis, feasibility studies and surveys. Ready to travel Worldwide at customer's request. For any services, please contact or write to:

Dr M G Salameh, Spring Croft, Sunn Avenue,
Haslemere, Surrey GU27 5SJ, England
Telephone: (0428) 4137 Fax: (0428) 56202

New business development-corporate banking

City

To £40k + benefits + car

We take great pride in our 157-year history of providing Merchant Banking services both domestically and overseas. To maintain the impetus of our lending efforts to small and medium sized UK companies, we're seeking to recruit senior marketing personnel with the following attributes:-

- * Outstanding financial, analytical and credit skills combined with a good general background in UK domestic banking
- * Recent marketing experience in project, cross-border, property, asset-based or corporate finance
- * A proven track record in sourcing, structuring and closing transactions in the £1m-£5m plus range

Possibly degree-qualified and aged late 20s/early 30s the successful candidates will join a small core team and will be expected to make an immediate contribution both to profits and to strategic and directional thinking within the Bank.

In these positions results count and the rewards are correspondingly high. Performance related pay and progression prospects will add to the competitive package offered which includes full banking benefits.

To be considered, please send your CV to Claire Wilkinson, Arbutnot Latham Bank Limited, 131 Finsbury Pavement, London EC2A 1AY (fax on 01-280 8546 or telephone for further information on 01-280 8503).



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Appointments Advertising

appears every
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For further
information
please call:
01-873 3000

Jennifer Hudson
ext 3607

Richard Huggins
ext 3460

Stewart Maddock
ext 3392

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

CORPORATE BANKERS

Bank of Scotland is continuing to expand its English Regional Office Network which currently extends to twelve of the principal provincial centres in England. So that this rate of expansion can be maintained we now seek to recruit a number of young, experienced and ambitious Bankers with a corporate banking background. Candidates, who are likely to be in their twenties or early thirties, should already have obtained positions of responsibility and hold the ACIB or other relevant professional qualification. Preference will be given to those who can demonstrate a sound understanding of all aspects of commercial banking activities. Ideally candidates should have a proven ability in assisting in the negotiation and construction of financial packages to

meet the needs of a wide spectrum of corporate customers. The range of skills should include experience in corporate credit analysis.

These positions give Bankers an opportunity to join a Bank which is generally regarded as one of the most innovative and progressive in the UK and for those with ability, ambition and drive, the career development prospects are excellent. The remuneration package offers a competitive salary together with the usual fringe benefits associated with a major Clearing Bank.

Candidates are invited to send a full Curriculum Vitae to:
R.J.J. Wickham Esq.,
General Manager,
Bank of Scotland,
38 Threadneedle Street,
London EC2P 2EH.



BANK OF SCOTLAND
A FRIEND FOR LIFE



Major Pension Fund – US Equities

INVESTMENT ANALYST

Central London

ICI Investment Management Limited (ICI-IM) manages the ICI Pension Fund which has assets of approximately £5bn. This small, highly-experienced research team now wishes to implement its planned strategy for the 1990s and is seeking an enthusiastic and self-motivated Investment Analyst to assist the US Portfolio Manager.

Based in Covent Garden, your responsibilities will include giving specialist advice on individual stocks and sectors which will involve close contact with companies and stockbrokers. There may also be the opportunity to become closely involved in the management of one or more smaller pension funds.

You should have a degree and at least one-two years' experience in the securities market. Knowledge of US equities would be advantageous but is not essential.

This position offers a competitive salary and plenty of opportunity to use your initiative and consolidate your experience.

Please apply in writing to Miss G J Lyons, Head Office Personnel, ICI PLC, 9 Millbank, London SW1 3JF.

INVESTMENT MANAGER/ANALYST

An established American investment firm seeks an investment manager with strong analytical skills to join their small London team.

The individual will focus on equity investments in smaller companies throughout Europe and the UK, and will also be actively involved in the global asset allocation process.

A minimum of three years of investment experience, gained ideally in the UK or European markets is desired. Fluency in European languages, especially German, is advantageous.

Highly competitive salary package includes incentive bonus scheme based on individual and company investment performance.

Please send detailed curriculum vitae to Box
A763, Financial Times, London SE1 9HL,
or use our confidential fax line on 01-628 2643.

SENIOR MANAGEMENT CONSULTANT STOCKBROKING/BANKING/INVESTMENT MANAGEMENT OPERATIONS

* We are a rapidly expanding and innovative Management Consultancy. Our expertise lies within the Operations and Systems conversion/implementation functions of Stockbrokers, Banks, Investment Management companies and other related financial institutions.

* You are either an experienced Consultant or a Senior Manager/Director, with well established skills and the ability to generate further projects for your team or the group, through an existing client base or contacts within the relevant markets. You will have a strong desire to be involved in the development and growth of a new company providing practical assistance to an increasing number of clients.

* Remuneration will be fully negotiable, commensurate with your ability and drive, and will include profit sharing.

Please reply, in confidence, by sending your Curriculum Vitae to:
The Managing Director
City Consultants Ltd
Edon House
2-3 Edon Street
London
EC2M 7AR

City Consultants

SERVICING THE CITY

EUROPEAN INDUSTRIAL AND SCIENTIFIC FEDERATION

located in Brussels
is seeking

THE MANAGER

for its scientific department

- The applicant should:
- * have a medical, pharmaceutical or scientific University degree
 - * be perfectly fluent in English and French
 - * be capable of analysing issues in depth and communicating concisely
 - * have a feeling for human contacts and negotiation.

A good knowledge of the pharmaceutical industry and a solid experience of its environment would be another distinct advantage.

All applications will be treated in the strictest confidence.

Please apply with Curriculum Vitae to

Box A786, Financial Times,
1 Southwark Bridge,
London SE1 9HL

AGM Support Services

Commercial Bank, Jordan

A leading bank in Jordan is creating a new position at Assistant General Manager level to manage the Human Resource Services, Financial Control, Management Information and Information Technology functions. This role is seen as being pivotal to the future success of the bank and the incumbent as a key player in the top executive management team of four.

The bank is seeking to sharpen its competitive edge through the introduction of technology based products and services and fully recognises the need to develop its human resources in parallel.

Experience in project managing programmes of change will therefore be important and while the successful candidate will not necessarily be an I.T. professional he or she must be sympathetic to the latest developments in information technology and in particular their application to the financial services sector.

A background of experience in the Middle East and fluency in Arabic will be advantage at the margin but more important will be an ability to grasp the business imperatives and to provide leadership from the front while working closely with the top team.

Applicants should send, in complete confidence, a full profile of their experience and qualifications together with a recent photograph to

Colin M. MacGregor
NBK Consulting
Post of AGM Support Services - 1041
13, George Street
London W1H 5PB

KIM ENG SECURITIES

SENIOR ANALYST

KIM ENG SECURITIES, A LEADING FIRM OF STOCKBROKERS IN SINGAPORE WITH OFFICES IN LONDON AND HONG KONG REQUIRE AN EXPERIENCED ANALYST, PREFERABLY WITH A JOURNALISTIC BACKGROUND, TO WORK IN THEIR SINGAPORE OFFICE COVERING THE SINGAPORE AND MALAYSIAN MARKETS.

THE SUCCESSFUL CANDIDATE WILL HAVE AN ENQUIRING AND ANALYTICAL MIND WHILST KNOWLEDGE OF THE SINGAPORE AND MALAYSIAN MARKETS IS NOT NECESSARY.

AN ATTRACTIVE PACKAGE, INCLUDING LIVING ACCOMMODATION, WILL BE OFFERED TO THE SUCCESSFUL CANDIDATE WHO WILL BE BETWEEN 30 AND 40 YEARS OLD.

PLEASE FORWARD A CURRICULUM VITAE TO:

ANDREW HOBBS, KIM ENG SECURITIES (LONDON) LIMITED, 37 PARK STREET, LONDON W1Y 3HG TEL: 01 355 2320

SINGAPORE

LONDON

HONG KONG

APPOINTMENTS WANTED

PA/SECRETARY

- seeks challenging position
- London/Surrey
- City banking/legal/commercial experience
- Managing Executive Director level
- Skills 300 shorthand/50 typing
- Word Processing/Basic computing
- Age 27

Write Box A777, Financial Times,
One Southwark Bridge,
London SE1 9HL

U.S.

MBA and Law-school educated professional with 5 years experience in international capital markets (emphasis on Spain and US) seeking position in US financial community. Positions in Finance, Equity Sales, or Management considered.

Write Box A789 Financial Times, One Southwark Bridge London SE1 9HL

EQUITY FUND MANAGEMENT

Excellent salary + benefits

London

Zurich Insurance, part of the £14.6 billion Zurich Group, is seeking an individual to join its City investment team which is responsible for the management of the bulk of the group's growing sterling assets.

We are seeking someone with at least 2 years' experience of the UK equity market, and in addition some knowledge of overseas equity markets would be an advantage, although not essential. Working within a small team, the person appointed will be responsible for researching and monitoring new and existing equity holdings and will also assist in the day-to-day management of our portfolios.

Ideally aged mid to late twenties, you will need the aptitude and initiative necessary to justify an early promotion. You should be educated to 'A' level standard, while a degree or relevant professional qualification would also be an advantage.

In return, Zurich will reward you with a fully competitive salary and remuneration package which includes assisted mortgage scheme and non-contributory pension plan with life assurance, permanent health insurance (subject to qualifying period) and generous insurance discounts. Relocation assistance will be available where appropriate.

Please write with full career and personal details to Mr G. Edon, Investment Manager, Zurich Insurance Company, First Floor, Furness House, 106 Fenchurch Street, London EC3M 5EL.

Zurich Insurance is committed to equality of opportunity. All applicants will be judged solely on their merits.

ZURICH INSURANCE

Financial Futures Sales

c£70,000 Package

Our Client, the Financial Futures Broking subsidiary of a Major Bank is currently seeking an experienced Broking/Sales professional to develop European originated business into Chicago and to a lesser extent London and Paris.

The successful candidate should ideally have a background in the underlying cash instruments and be a competent technician with an in-depth knowledge of Futures and Options and their applications for hedging and trading purposes. Well developed sales and broking skills are a prerequisite and fluency in French and/or German would be useful although not essential.

Please write, enclosing CV to Trish Collins or Barbara Mackney or call 01-929 2383.

No. 1, Royal Exchange Avenue, London EC3V 3LT.

هذه امانة الامل

Group Pensions Manager

Midlands

c£30,000 + Car

Our client is an established engineering group, operating internationally in the design and manufacture of specialist products for a wide range of industries.

This key appointment will carry full responsibility for all administration and managerial issues relating to a fund which currently has assets of c£43m and 1,700 employee members. Future potential exists to develop this position by assuming additional responsibility for a related company fund and company secretarial duties.

Managing a small team, the emphasis of the role will be to provide a quality service with responsibility for cost effectiveness, benefits, financial control, security and integrity. The successful applicant

will be expected to work closely with actuaries, legal advisors, fund managers, scheme members and senior management within the Group.

Candidates aged 30-45, should be highly numerate, with at least five years' experience of pensions management, a high level of commitment to achievement, flexible hands on approach and excellent communication skills.

Comprehensive relocation assistance is offered and interested applicants should send a full curriculum vitae quoting reference 304: to Diane Forrester ACA,

Executive Division,
Michael Page Finance,
Bennetts Court, 6 Bennetts Hill,
Birmingham B2 5ST or
telephone 021-643 6255.

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Investment Management Group

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Our client is the UK investment management arm of a leading European bank. A marketing manager is sought to undertake a wide ranging business development role for a highly successful product which is currently promoted to stockbrokers and institutions.

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For a strictly confidential discussion please telephone or write to Fiona Law at FLA, 16 Old Bond Street, London, W1X 3DB. Tel. 01-491 3811. Ref: 1304



Outokumpu is growing international metals group with annual sales of US\$ 3 billion in 1989. It has production facilities in 10 countries and personnel of ca. 16,000. The principal business sector covers mining, smelting and refining of base and precious metals.

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The Base & Precious Metals Sector of the Outokumpu Group is building up a Research Team in London. Its specific task is to provide strategic support for this Sector and to assist in the selection of development projects. In addition the Team will be responsible for providing commodity market forecasts, competitor analysis, country reports and advice on general economic environments.

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Please send your application to

Outokumpu Resources (Services) Ltd
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for the attention of Mr. H. Solin, Managing Director.

For additional information, please contact Mr. Solin on telephone 01-944 1818 or Mr. T. Erling in Helsinki, on telephone 010-358-0-421 2547.

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Candidates should forward a C.V., giving full details of their career history to date, to:

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Hessische Landesbank - Girozentrale -
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8 Moorgate
LONDON EC2R 6DD

All applications will be treated in strictest confidence.

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The successful candidate will be responsible for the regular financing of several British contracts (credit insurance, suppliers and buyers credits, cash flows, bonds...).

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Further particulars may be obtained from Caroline Moody, OXIFER Research Secretary, (0865) 735422. The closing date for applications is 20 April 1990.



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Ref: A210

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An expanding U.K. Group of Companies dealing in shipping have a vacancy for an Internal Accountant to join the team. Qualifications preferred but not essential but Industrial/Commercial experience required. Please write sending C.V. to

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ACCOUNTANCY COLUMN

A shopping list for the standards chairman

By David Waller

IF PROFESSOR David Tweedie, the KPMG Peat Marwick McLintock technical partner who was last week appointed as the first chairman of the Accounting Standards Board, needs an agenda for his early years in office, he need do no more than turn to the latest survey of financial reporting in the UK published by the Institute of Chartered Accountants in England and Wales.

The authors of the 21st survey of UK published accounts believe that the quality of UK financial reporting has improved dramatically over the past two decades. Even so, they argue, greater disclosure on the part of a majority of companies has highlighted bad practices by a minority. While companies are inclined to comply with accounting standards, some of those standards are themselves inadequate.

Here are some of the areas of contention identified in the latest survey:

- **Complex capital issues.** Mr Stephen Parkinson of Ernst & Young points out that it has been difficult for companies to issue shares in the aftermath of the October 1987 stock market crash. Accordingly, the instruments used by companies to finance expansion plans have become increasingly complex.

Those complex instruments include: deep discounted

bonds; convertible loan stock with premium puts; convertible preference shares; convertible capital bonds; "synthetic convertibles" (such as deep discount bonds with warrants attached) and so-called perpetuals.

The rationale behind most of those is twofold: to help companies to minimise their tax bill by creating as high a deduction against profits as possible; and to bolster the balance sheet by creating low gearing ratios and providing scope for goodwill write-offs.

The accounting dilemma is that it is difficult, if not impossible, to determine whether the instruments are debt or equity. There are no legal definitions to help the company or its auditor to decide.

However, Mr Parkinson says (broadly) that debt is an instrument likely to be paid out of funds generated by a company's trading activities (not via an issue of shares) within a period of time that "makes cash amount material in terms of today's money". Equity "is everything which does not come within the above definition".

Mr Parkinson's survey of accounts from companies such as Next, Burton, London International, Thorn-EMI, and Saatchi and Saatchi discloses many different ways of accounting with those instruments. One difficulty is that if

convertible loan stock is issued, it is accounted for as debt even if conversion into shares is virtually certain.

If the ASB were to ban companies from writing goodwill off against reserves, as the Accounting Standards Committee (ASC), its predecessor body, had recommended, the incentive for devising such instruments may disappear. That is unlikely - Prof Tweedie denounced the ASC's proposals in this column last December. What the ASB ought to do, Mr Parkinson argues, is to issue broad guidelines to help auditors to determine how these "hybrid" instruments should be dealt with.

● **Accounting for pension costs.** The standard statement of accounting practice No 24 (published in May 1988, applicable to financial year ending after June 30 1989) required comprehensive disclosure and was designed to reduce diversity of accounting treatment in the area. The standard came into being after more than a decade of debate within the profession; yet, according to Mr Richard Derwent of Clark Whitehill, it is inadequate nevertheless.

He concludes: "SSAP 24 appears to comprise no more than a hotch potch of options which are likely to precipitate confusion rather than clarification and incomparability rather than comparability."

There are simply too many different options and "enormous flexibility regarding actuarial assumptions which could be exploited to improve reported figures."

● **Accounting for investment trusts.** As a Scots accountant, Prof Tweedie may be particularly keen to resolve conflicts in this sector, which accounts for some 1 per cent of the total value of UK equities. Mr Stewart MacDonald argues that there ought to be a new Statement of Recommended Practice (SORP) for investment trusts. The main difficulty arises because investment trusts derive gains in two different ways - via capital appreciation on one hand and income from dividends from the other. Often, capital appreciation is dealt with only as a note to the accounts, so it is difficult to measure an investment trust's overall performance.

● **The effect of acquisitions.** Reporting standards of large listed companies are much better than for large unlisted companies, the survey shows, with 74 per cent of large quoted companies disclosing the fair value of assets acquired, against only 22 per cent of large private companies.

At a press conference to launch the survey, Mr David Tonkin, managing director of Company Reporting, observed that there was no single loca-

tion in a set of accounts to summarise the effect on a company's finances of an acquisition.

Users of accounts are left to hunt around for notes and fund statements to piece together what has happened, and even then, the necessary information is not always available.

● **Reserve accounting.** One of the great criticisms of acquisition accounting has been that it allowed companies to write costs off against reserves rather than against profits. The survey shows that reserve accounting has over recent years become increasingly prevalent in other areas, including foreign currency differences, and profits and losses on sale of fixed and other non-trading assets. The survey does not come out with any specific recommendation, but Prof Tweedie ought to look at the whole question of reserve accounting.

● **Disclosure.** The editors of the report argue strenuously that the UK could do with a standard designed to increase disclosure in all areas of financial reporting.

The survey does show that levels of disclosure have been galloping ahead in the case of lease accounting for example, with 62 per cent of all companies surveyed disclosing lease capitalisations.

Disclosure in many other

areas is sketchy - particularly in the case of the complex capital issues discussed above. The research shows that 96 per cent of all companies disclose no evidence of such schemes, but the statistic is "tantalisingly deceptive," according to the researchers.

The organisers had no detailed ideas as to how such a standard should be framed. Desirable though it would be, it seems unlikely that one will come into being in an era when accounting rules are becoming more and more detailed and narrowly prescriptive, encouraging companies to comply with the letter of the regulations and to ignore broader considerations.

The report shows that some 5 per cent of large listed companies now have brands on their balance sheets in one form or another: a significant minority. The report does not say that the practice makes a mockery of financial reporting in the UK, although perhaps it ought to. After Prof Tweedie has settled the topics above, and the issues of goodwill accounting and accounting for off-balance-sheet items left over from the days of the ASC, he should mount a thorough review of accounting for intangibles in general.

Financial Reporting 1989-90
Chartwell Books, PO Box 620,
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- i) Have a sound career progression.
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Applicants should write enclosing CV to Christopher Brooks, Joint Managing Director, Morison Stoneham Management Consultants Limited, 805 Salisbury House, 31 Finsbury Circus, London EC2M 5SQ.

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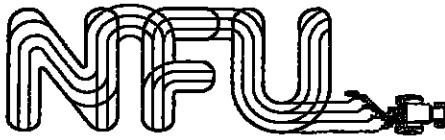
Interested applicants should write to Maggie Henderson-Tew, enclosing a full CV, at the address below.

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MANAGEMENT SELECTION

32 ST. JAMES'S SQUARE, LONDON SW1Y 4JR FAX: 01-930 7470. TELEPHONE: 01-939 7595.

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Please send full career and salary details, quoting Ref. AR 2076/3 to A.J.A. Saw, March Consulting Group, March House, 13 Park Street, Windsor, Berkshire SL4 1LU.

March Consulting Group

Manchester Windsor Coventry Edinburgh

Finance Director

Birmingham

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experience, preferably gained in a retail or service environment. The future prospects within this dynamic organisation are not confined to the financial area. The attractive package includes share options and relocation assistance if applicable. Please telephone or write enclosing a full curriculum vitae quoting ref 414 to: Nigel Hopkins FCA, 97 Jermy Street, London SW1Y 6JE. Tel: 01-839 4572

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Interested candidates should write enclosing CV and daytime telephone number, quoting Ref. 419 to Nigel Bates FCA, Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PC. Tel. 01-637 8736.

Whitehead Rice

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Your major role will be reviewing and evaluating computer systems and installations, then reporting your observations direct to senior management. In addition you will be required to participate in management control audits and provide technical support to the audit team.

You should be a qualified ACA, with sound audit skills and a good knowledge of EDP. Your post-qualification experience will probably have been gained within commerce and industry and include computer audit.

For further details of these positions, and excellent prospects and benefits attached, please contact Garry Hodnett on 01-323 4434 or write to him at The Wentworth Consultancy, Welbeck House, 66-67, Wells Street, London, W1P 3RB.

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You will participate in the review and evaluation of the management controls in our UK operations, reporting your observations direct to senior management.

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The Wentworth Consultancy

Director of Manufacturing Accounting - International

For the Betterment of Man - Create Financial Evolution

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'International' operates in over 20 countries, manufactures in 7 of them and is currently experiencing the classic issues of lack of cost comparability, systems and reporting at different stages of development and quality, product duplication and the 'obsolescence' problems of rapid product development. Rationalisation and 'futurisation' are the key to an efficient and effective international manufacturing base capable of supporting a global business.

In order to achieve this, it needs to strengthen the financial team in providing close support to the VP Manufacturing and we are therefore seeking a Director of Manufacturing Accounting - International.

Reporting to the Director of Finance you will have a wide ranging role primarily concerned with providing the financial input to these strategic changes and to the creation of a constructive, meaningful and proactive financial reporting system for a complex international manufacturing base.

To succeed in this role will require strength and logic of argument, backed by demonstrable 'hands on' knowledge, together with the creative intellect to turn historic methods into futuristic concepts. You will also need significant diplomatic skills in an organisation that is moving towards matrix management with a very open style of co-operation through persuasive discussion.

You are most likely to be a graduate ACMA, possibly an MBA, aged 33-38 and with a strong manufacturing background in a rapidly changing high tech industry. This may well have included Controllership experience and will most certainly have included exposure to the international work place.

The corporation has genuinely exciting plans for the future and, if you would like a leading role in making them happen, we would be pleased to receive your CV in complete confidence. Adrian Wheale, ACMA, ACIS
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**Simpson Crowden
CONSULTANTS**

Newly/Recently Qualified Accountants Merchant Banking

City

c£27,000 + Mortgage Subsidy + Car

As one of the world's leading investment banking organisations, our client has achieved international acclaim through a sophisticated portfolio of products and services. Central to the Bank's activities are a number of individual business sectors which concentrate on Capital Markets, Treasury and Corporate Finance.

In order to improve the financial control and management reporting of the above areas, a number of opportunities now exist for young accountants. Benefiting from structured training and team support, you will enjoy involvement in:

- ▲ Business Appraisals
- ▲ Ad-Hoc Projects

- ▲ Systems Enhancement
- ▲ New Product Development

They seek newly or recently qualified ACA/ACCA/CIMA, with the ability to communicate confidently at all levels and the potential to take on increasing levels of responsibility. Career opportunities within the Bank will be excellent, both in the medium and long term.

For further details, please contact ANDREW LIVESLEY on 01-404 3155. Alternatively, write to him at Alderwick Peachell & Partners Ltd., 125 High Holborn, London WC1V 6QA. Fax: 01-404 0140.

**Alderwick
Peachell
& Partners Ltd**

FINANCE & ADMINISTRATION DIRECTOR

The opportunity to establish a new department

City

c.£50,000 + car + benefits

A unique opportunity has arisen for a high calibre, systems-orientated individual to bring to bear a range of analytical and management skills in this challenging new role. Our client, the UK insurance/reinsurance subsidiary of a major US financial services conglomerate, is poised to implement an ambitious, carefully-focused expansion plan. As part of this process, a decision has been made to appoint an experienced executive to establish an in-house financial and administrative function which will provide the framework for a sustained period of diversification and profitable growth.

Working closely with the Managing Director, the appointee will establish a department, implement controls and systems compatible with the corporate plan, and ensure the appropriate level of support for the ongoing expansion of the business. As a member of the

senior management team, the Finance and Administration Director will also be expected to suggest commercial initiatives which will enhance the Company's strategic development.

A professional qualification, though preferred, is less important than relevant practical experience of setting up and managing a new department, not necessarily in the insurance sector. Above all, candidates should demonstrate a team-orientated management philosophy and an in-depth understanding of systems development. The successful applicant will be energetic, proactive, and equally comfortable adopting a 'hands-on' approach or contributing at strategic level.

Please write, in confidence, with full career and salary details, to Tim Knight, quoting reference C4512.

KPMG

Peat Marwick Selection & Search

70 Fleet Street, London EC4Y 1EU

Financial Controller

**International Freight Forwarding
Heathrow
£30-£35,000 negotiable + car**

The company, the UK subsidiary of a major Japanese multinational group, specialises in freight forwarding. Their customers include some of the best known names in consumer electronics and the automotive sector.

The UK operation is currently small - £2.1m turnover with 60 people employed at Heathrow and at their Manchester warehouse - but with ambitious plans for growth. These involve the development of a European network in line with the opportunities presented by 1992.

Reporting to the Managing Director, the immediate task will be to

develop appropriate systems and controls for the current operations which are sufficient to cope with the planned growth. An upgrading of the current level of computerisation will be needed and the introduction of management information systems, tight credit control and cash management systems are priorities.

Candidates should be qualified accountants, preferably Chartered, who have proven 'hands on' experience of developing and running an accounts function in a service industry. Knowledge of freight forwarding or of related sectors such

as distribution or transportation would be a bonus but above all we require a clear thinking and positive individual, calm under pressure who can get fully involved in day to day issues without losing sight of long term objectives.

Interested candidates should write, enclosing a full CV and salary details, quoting reference E/1039, to: Christopher Bainton
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse



DIRECTOR FINANCIAL OPERATIONS

C. London

£40,000 + bonus + car

Part of a major US Corporation, our client is a successful international group, with a well-deserved reputation for quality. Operating worldwide, it manufactures and markets technologically advanced instrumentation and control systems for the automotive and industrial automation sectors.

This is a new appointment resulting from the rapid expansion of the business through acquisition, joint ventures and internally generated growth. The Director Financial Operations will work closely with the Group Managing Director and provide him with financial support in the management and development of the business. Responsibilities will include establishing business plans for the operating companies and reviewing their performance; integrating new subsidiaries and developing their systems to meet US requirements; evaluating investment and marketing plans and providing a financial troubleshooting facility.

This is a challenging, high profile position which will require a top-flight individual with flexibility, drive and commitment. Candidates should be qualified accountants of graduate calibre with self-confidence, discretion and board level credibility. Probably in your mid/late 30s, you will have sharpened your financial and commercial awareness in both head office and operating company environments. You will be comfortable in an international setting and familiar with US reporting requirements. Successful performance in this exciting and demanding role will provide a stepping stone into general management.

Please reply in confidence, giving concise career, personal and salary details to Paul Carvosso, quoting Ref: L490.

Egor Executive Selection,
58 St. James's Street,
London SW1A 1LD (01-629 8170)

EGOR
EXECUTIVE
SELECTION

United Kingdom - Belgium - Denmark - France - Germany - Italy - Netherlands - Portugal - Spain - Sweden

PQE	
CROYDON £25,000 + Car	WOKING £25,000
Internal Controls Analyst Operating from Europe, Australasia and North America, this superbly professional and highly profitable group provides specialist financial and professional services. This intellectually challenging role will involve trips to America and offers a tremendous package, combining a car, mortgage subsidy, generous holiday allowance and profit share. Ref: 3473A4 Contact The Manager at 52 George St, Croydon 01-883 4034 Or the PQE Specialist advising on this appointment on 01-489 9997	Operational Auditor 'First move' opportunity that will give you an international insight into this group's operations and provide a platform for further career development. Working as part of a team, you will be appraising a wide range of operations in a variety of European locations. Ref: 22A53A2 Contact The Manager at 28 Commercial Way, Woking 0483 771445 Or the PQE Specialist advising on this appointment on 01-489 9997
RAYLEIGH £25,000	SUSSEX COAST £35,000 + Car
Financial Manager As a frequent deputy for the Financial Director, this autonomous position is an ideal opportunity to gain all the skills needed to be a Director without the final responsibility. The company is a medium-sized engineering firm offering generous holidays and BUPA healthcare. Ref: 5728A2 Contact The Manager at 148 High Street, Southend 0702 515371 Or the PQE Specialist advising on this appointment on 01-489 9997	Financial Director (Designate) Superb opportunity to join a sophisticated manufacturing company whose record increase in sales make it the 'jewel in the crown' of a major international group. You will continue to develop an impressive range of DP systems and provide leadership and direction to an ambitious finance team. Ref: 68A232 Contact The Manager at 133 Queens Road, Brighton 0273 207710 Or the PQE Specialist advising on this appointment on 01-489 9997
HAYES £28,000 + Car	N.W. LONDON £30,000
Financial Controller General management aspirations? Small consumer products subsidiary of an international group seeks a commercially astute Qualified who wishes to broaden their experience. This 'hands on' position reports to the MD and has total responsibility for accounts, staff supervision and systems development. Ref: 32273A6 Contact The Manager at 42 Station Road, Hayes 01-569 2919 Or the PQE Specialist advising on this appointment on 01-489 9997	Corporate Project Accountant Global satellite company that develops and provides state-of-the-art technology and services, seeks an Accountant capable of devising intricate costing methodologies and who can embrace all the complex considerations linked to techno-economic trade-offs. This absolutely key role carries a superb, negotiable remuneration package. Ref: 9623A3 Contact The Manager at 94 Baker Street W1 01-486 3227 Or the PQE Specialist advising on this appointment on 01-489 9997
CLIENTS! When you entrust your vacancies to us, we pay for the advertising. Phone our PQE Specialists on 01-489 9997 NOW!	
REED... <i>accountancy</i>	

Corporate Finance Executive

Surrey

£37,500 + Car + Share Options

This diverse UK plc with a turnover of over £400m has grown dramatically through acquisitions and sound strategic management. As a result of internal promotion, the role will involve working with a small professional team on acquisition studies, from the identification of potential targets through to completion, together with other corporate finance work. This will necessitate close involvement with senior group executives, merchant banks, lawyers, and other professionals.

Candidates for this exceptional opportunity should be graduate qualified accountants of the highest calibre, age indicator 28-30, with a practical/common sense approach, commercial acumen, a high level of

commitment and the ability to work well under pressure. Although previous exposure to acquisitions/investigation projects is desirable, personality of the person is just as critical.

Proven success in this role should lead to promotion within the Group. Please telephone or write enclosing a full curriculum vitae quoting ref: 415 to:

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

**Cartwright
Hopkins**

FINANCIAL SELECTION AND SEARCH

Financial Controller

Zurich, Switzerland

**Excellent Salary
+ Car & Benefits**

Our client is a successful division of one of the world's largest British Groups. Worldwide divisional turnover is over £700 million employing 14,000 in many country operations. The Swiss operating company is located in Zurich. It sells, markets, installs and maintains industrial electronic and electro-mechanical products and systems in a wide range of commercial and industrial sectors in Switzerland. Turnover is over 10 million Swiss Francs.

The Financial Controller, reporting to the General Manager, will take full responsibility for all accounting systems and controls, preparation of management and statutory accounts, compliance with group and local accounting regulations and general fiscal affairs and administrative computer systems. The Controller will manage a small staff and be actively involved with the senior management team. Personal prospects are excellent within this integrated European and internationally orientated division.

Candidates aged probably 25-36 will be qualified accountants with experience gained in industry or the profession. You will be looking for progression now in your career in an international environment. You will have strong communication skills and will possess professional fluency in German in addition to English.

Apply in writing with a full cv, quoting reference 2184 to Geoffrey Forester, Berndtson International, 6 Westminster Palace Gardens, Artillery Row, London, W1P 1RL.

Berndtson International

Management Consultants - Executive Search

BARCELONA BRUSSELS COPENHAGEN FRANKFURT GENEVA HELSINKI LONDON MADRID MILAN NEW YORK OSLO PARIS STUTTGART ZURICH

GROUP FINANCE DIRECTOR

SOFTWARE SYSTEMS

£35K - £40K + CAR, BONUS AND EQUITY

One of the UK's leading originators of applications development software and expert systems software, with substantial venture capital backing, is seeking to recruit a Group Finance Director.

This company, based in S W London, is a rapidly growing and highly profitable computer software and systems company. The company has market leading products and established operations in both the UK and US, from where 50% of group revenues are derived; the company is also seeking to expand its operations in Europe. The company's growth has created the need for a director to manage in all aspects of the company's financial, fiscal and currency activities.

This is a new and demanding position requiring a talented and experienced finance manager to join a high powered team of executive directors. The successful candidate will be responsible as a director of the holding company for bringing a financial perspective to the formulation and implementation of group policies and procedures. In addition to being a qualified accountant, preferred applicants will ideally have had substantial exposure to the computer software industry and had experience of financial management of a small to medium sized company or business unit within a larger corporation.

An exceptional candidate is required who can demonstrate a record of outstanding achievement in industry, commerce or professional practice, along with experience of international activities, most significantly in the US.

The position will carry an excellent remuneration package including bonus scheme and share options.

Candidates should apply with a detailed CV to:

E A Richardson
MTI Managers Limited
70 St Albans Road
Watford WD1 1BP

FINANCE DIRECTOR

NEWARK

Circa. £35,000 plus benefits

INSPECTORATE OIS PLC, a rapidly expanding company, is one of the largest international specialist inspection and testing companies, providing services to a wide range of industries including the nuclear, oil and gas, defence, power generating and petrochemical installations. The current annual turnover is in excess of £50 million.

As the corporate headquarters is moving from Aberdeen to Newark a new Finance Director is required. Applicants should be fully qualified Accountants with at least eight years commercial/industrial experience preferably in the Service Sector. They should be totally conversant with the financial management of a quoted Company with extensive operations in the UK, Middle and Far East and Southern Africa.

This is an excellent opportunity to join a young, highly motivated Management Team and the total remuneration package will reflect the importance of this position. A starting salary of £35,000 per annum will be offered (+ bonus), together with an executive car, pension, BUPA and share option scheme.

Please apply with full C.V. to: R. D. Elliott, R.D.E. Consultancy Services Limited, Sauls Wharf, Steam Mill Lane, Cobholm, Great Yarmouth, Norfolk, NR31 0HP.

STAKIS

Treasurer

Glasgow

c.£35-40,000 + bonus (to 50%) + benefits + car

Stakis plc is a well established and highly regarded leisure group founded in the nineteen fifties by the current Chairman, Sir Reo Stakis. The group was floated in 1972. Originally based on hotels, public houses and restaurants in Scotland, it has now expanded nationally to embrace casinos, property development and, more recently, the health care sector.

With the completion of a major strategic review, the group is now poised to enter a period of dynamic growth. This, in turn, necessitates the expansion of the treasury function and the appointment of a Treasurer, who will report directly to the Group Finance Director.

Areas of responsibility will include the development of the group's funding and interest rate strategy, raising finance both short and long term, bank relationships, cash management and currency

risk management. An appreciation of corporate taxation will be desirable and a knowledge of accounting would be ideal.

An able individual is sought who, as a self starter, will be able to respond to the challenge offered by this role which will provide excellent career development. The successful candidate will be a graduate in his/her 30's and a member of the Association of Corporate Treasurers. A professional accounting or banking qualification would be an added advantage.

An excellent remuneration package is offered, which includes company bonus up to 50% of base salary, company car, contributory pension and private health insurance.

Please write in confidence to John Cockerill BSc FCA (or fax 01-439 7665) quoting reference 6931.

**Roland Orr
& Partners**

Management Consultants

12 New Burlington Street, London W1X 1FF Telephone 01 439 6891

TILBAKE TIL NORGE?

CORPORATE FINANCE CONTROLLER

NOK 450.000,-

Vår klient, Gearbulk Ltd., er en internasjonal shippingpool administrert av Kristian Gerhard Jebsen Skipsrederi AS. Selskapet har 20 anskottorer og 170 ansatte ved hovedkontoret i Bergen. Gearbulk Ltd. er i ferd med å videreutvikle de finansielle, regnskapsmessige og organisatoriske styringssystemer. Selskapet søker til nyopprettet stilling: Corporate Finance Controller.

Sentrale arbeidsoppgaver vil være å implementere og overvåke policies og prosedyrer for finansplanlegging, budsjettering, regnskap og rapportering i inn- og utland. Corporate Finance Controller rapporterer til Senior Vice President Finance & Information.

Vi søker en siviløkonom med variert praksis fra ledende økonomistilling, (økonomisjef, controller), i større, gjerne internasjonalt selskap.

Det kreves langående kunnskap til EDB-baserte regnskaps-, budsjett- og styringssystemer. Den ideelle kandidat bør være en sterk bruker av personlig computer.

Stillingens internasjonale karakter krever i tillegg til norsk, meget gode engelskkunnskaper. Likeløst kunnskaper omkring internasjonale regnskapsprinsipper.

Stillingen byr på store faglige utfordringer og muligheter for personlig utvikling. Den ideelle kandidat vil

ha mulighet for å tre inn i stillingen som finansdirektør i løpet av en periode på to år.

Henvendelse under full fortrolighet kan rettes til avdelingsdirektør Øystein W. Løken, Mercuri Urval Executive Service, tlf. +47-5- 23 38 80.

Send kortfattet CV merket 53.322 til Mercuri Urval AS, Postboks 1806 Nordnes, 5024 Bergen.

Mercuri Urval

Executive Service

Financial Controller

£30,000

+

Bonus

+

Quality Car

+

Benefits

+

Relocation Allowance

(Seeking Potential Finance Director)

This exciting position is an important part of the succession planning within the Amey Group, which was a recent management buy out.

The Company is a leader in Civil Engineering and Construction with a turnover of £80m principally in the public sector and with realistic plans for growth.

The role involves participation in the commercial aspects of the business as well as full responsibility for the financial function of the largest Company in the Amey Group, which provides support services to its associate companies.

Ideally you will be aged 30-45 years with a good track record as a qualified Accountant in the Construction Industry.

Intent on growing the business, you will be an experienced, self motivated professional seeking to join a team of like minded managers and sharing the rewards for so doing through an executive share scheme.

Applications in writing with full personal details including current salary to:

Mr D.W. Peters
Personnel Manager
Amey Construction Ltd
Sutton Courtenay
Oxon
OX14 4PP
We are an equal opportunities employer

AMEY

Appointments Advertising

appears every Wednesday and Thursday. (Friday International Edition only). For further information please call:

01-873 3000

Jennifer Hudson
ext 3607

Richard Huggins
ext 3460

Sarah Gabe
ext 3199

Stewart Maddock
ext 3392

FINANCIAL TIMES
LONDON & BUSINESS INTERNATIONAL

Handwritten signature: *Handwritten signature*

SENIOR FINANCIAL MANAGERS

By 1991, National Power PLC will be one of the largest companies quoted on The International Stock Exchange. Inheriting 50% of the electricity generating capacity in England and Wales, it is the largest company to emerge from the Central Electricity Generating Board. To reflect National Power's new status as one of the UK's leading businesses, two senior accountants are required to facilitate and supervise the process of change and promote the new spirit of profit consciousness throughout the organisation.

Financial Accounting Manager

Central London
To £50,000 + benefits

Reporting to the Director of Financial Control, the Financial Accounting Manager will help position National Power at the leading edge of innovation in terms of corporate accounting methodology. He/she will create and maintain financial accounting standards, procedures and policies, identifying and responding to the requirements of directors, shareholders, banks, credit rating agencies, and any other bodies with an interest in the business. Heading a diverse and busy team, this highly visible role requires exceptional management skills, technical excellence and experience in stock exchange reporting requirements. (Ref: C8621/N12)

Management Accounting Manager

Central London
To £45,000 + benefits

The key task of the Management Accounting Manager will be to lead the improvement of executive reporting, reflecting the new profit conscious management style. The role will involve the consolidation of information across a number of functions and an analysis of corporate activities. The Manager will therefore have an interpretive role, spanning a wide range of business issues requiring flexibility and perception. He/she will ensure that the annual budget, reporting and group consolidation exercises are consistent, both internally and with the financial accounts and will be at the forefront of new developments in reporting techniques. (Ref: C8621/N17)



National Power

Applicants for these positions should be qualified accountants with a proven track record in management or financial accounting. Previous experience within a large, commercial organisation is pre-requisite and should be supplemented by high levels of energy and ambition together with excellent presentation skills. Computer literacy is also essential. Please write, specifying the role in which you have an interest, giving full career details and CV, to Hilary Douglas quoting the appropriate reference.

OXFORD CITY COUNCIL

Oxford with its unique combination of modern manufacturing industry, ancient university buildings, and neighbouring Cotswold countryside provides an interesting and attractive environment in which to live and work.

CITY TREASURER'S DEPARTMENT ACCOUNTANCY DIVISION

The opportunity has been taken to reorganise the Accountancy Division in readiness for the anticipated legislation concerning competition for financial services. It is the Authority's ultimate intention to provide accountancy services which not only meet the demands of its clients but are sought after by other public service bodies. We currently want to recruit 2 Group Accountants.

GROUP ACCOUNTANT (TECHNICAL)

(Ref. No. 3) PO26 £22,628 - £24,169 per annum
(Includes 10% Temporary Recruitment Incentive)

We are looking for a committed, forward thinking Accountant who is able to play an influential role in a changing financial environment. Applicants will need to have a practical knowledge of the Local Government Housing Act 1989 and will have a full CIPFA qualification or be CIPFA qualified with at least 2 years experience at a senior level in the public sector. An ability to manage staff working under pressure is essential as is the ability to communicate with members, committees and staff at all levels.

GROUP ACCOUNTANT (DLO)

(Ref. No. 4) PO26 £22,628 - £24,169 per annum
(Includes 10% Temporary Recruitment Incentive)

We are looking for an Accountant with a practical knowledge of the competition legislation who can communicate well with non financial managers and be capable of self motivation. Applicants will need to have a full CIPFA qualification or be CIPFA qualified with at least 2 years experience at a senior level in the private sector.

These two posts provide excellent opportunities in an authority committed to staff direct service provision.

Closing Date: 20th April 1990.

Our generous benefits package includes:-

- Flexitime
- Job share provision
- Generous relocation package up to £5,000 to approved areas including where applicable mortgage assistance, equity share scheme
- Maternity/paternity support provisions
- Childcare subsidies
- Pension scheme

Application forms and further particulars are available from the Personnel Office, 28-31 St Ebbe's Street, Oxford, OX1 1EF. Telephone Oxford 252465. Your call will be received by an answerphone service. The Council Office will be closed from the 13th April to the 17th April inclusive, the answerphone service will cease on Thursday the 12th April at noon. We expect all our employees to have an understanding of and commitment to our equal opportunities policies.



WORKING TOWARDS EQUAL OPPORTUNITIES

KPMG Peat Marwick Selection & Search

70 Fleet Street, London EC4Y 1EU. Tel: 01-236 8000

Hoggett Bowers

Financial Analysis

Consumer Services - International Role
Surrey, To £28,000, Fully Expensed Car, Excellent Benefits

Our client, which is a major division of a leading UK multi national, is engaged in the provision of consumer services through high street outlets in 16 different countries. Rapid growth continues to provide enormous potential for expansion through both development of core business and of new products and markets. This growth has given rise to a need to increase the level of financial analysis expertise in the UK based head office. As part of a small team you will report to the financial analysis manager and will be responsible for the focused analysis of performance of overseas companies. This will include liaison with overseas operating companies executives on ad hoc project and appraisal work. There will be international travel. Qualified to ACA or ACCA level candidates in their mid/late 20's or early 30's should have strong financial analysis and PC skills. Relocation assistance is available and career prospects within the group are excellent.

A.J.L. Satterly, Hoggett Bowers plc, George V Place, 4 Thames Avenue, WINDSOR, SL4 1QP. 0753-850851, Fax: 0753-853339. Ref: W12097/FT.

Financial Controller

Edinburgh, c £25,000, Car, Benefits

Having developed the business to its present level of turnover and profitability, this highly respected supplier to the construction industry now wishes to strengthen its management team by appointing a finance professional to take overall control of the day-to-day operation of the finance function. In addition to developing management information systems to satisfy the needs of a growing organisation, there is a specific responsibility for the preparation and interpretation of financial and management accounts. Aged 30-40, candidates will be qualified accountants with sound experience of preparing statutory and management accounts and will already have proven experience of computerised management accounting and budgetary control systems ideally gained within the construction industry. You will be able to supervise effectively and possess the drive and maturity to establish sound relationships and make a positive contribution to the management team. Attractive conditions of employment reflect the caring philosophy of the organisation and the prospects for enhanced career development within this expanding company are excellent.

L.J. Young, Hoggett Bowers plc, 29 St. Vincent Place, GLASGOW, G1 2DT. 041-221 2585, Fax: 041-221 8352. Ref: G17031/FT.

These positions are open to male or female candidates. Please send c.v. or telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST. ALBANS, SHEFFIELD, WINDSOR and EUROPE

FINANCIAL CONTROLLER

Birmingham c £25,000 per annum + Car + Benefits

Our Client is a long-established, commercial firm of solicitors - one of the largest, independent practices outside London. The Firm has a first class reputation for offering its clients a very comprehensive range of services, and for professional advice of the highest integrity. Indicative of their reputation and standing in the business community has been a doubling in the size of the Practice in the last five years. Key to a firmly laid strategy for further growth will be the maintenance of financial disciplines and provision of highly pertinent management information. In line with this, the Partnership Secretary seeks to engage the services of a Financial Controller, to perform a wide-reaching role and make a critical contribution to business planning and operational control.

The Financial Controller will be required to manage the Accounts department and to play an active and pro-active role in co-ordinating the efficiency of financial systems and disciplines. Beyond this, the wider brief will embrace the monitoring of financial resources, control of costs and continual review of financial performance.

Success in this role will be dependent on applying a detailed, analytical, critical approach to the various routines and through effective management and motivation of people, to control a wide range of activity, optimising departmental performance against a background of a variety of pressures and high workload.

Applications are invited from young Chartered Accountants with experience of financial control in a commercial, service-orientated environment. The chosen candidate will be able to complement a high standard of technical competency with maturity, drive and determination. Interpersonal and well developed communication skills, tact and diplomacy will also be key, aiding effectiveness in working with a variety of people.

In return, the Firm offers a highly competitive salary package and an attractive range of benefits.

Please write with full career history and salary details, quoting reference B/275/90, to Margaret-Anne Stocker.

KPMG Peat Marwick Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

FINANCE MANAGER NEW BUSINESS DEVELOPMENTS

BERKSHIRE

£30-35,000 + Car + Share Options

Our client is a household name PLC providing high added value services and products to government, business and private users in the UK and, increasingly, abroad.

The business is growing exceptionally fast, has a turnover over £400 million, is highly profitable with a strong positive cash flow. UK operations are conducted through subsidiaries each being supported by a national network of dealers. Overseas operations are usually conducted through consortia, joint ventures and, or, subsidiaries; in turn supported by dealer networks.

Opportunities exist to further develop business in Western Europe; Eastern Europe is virgin territory as are other markets further afield. Each country is subjected to an intensive study covering marketing, engineering, personnel, legal and financial aspects, to establish a case for or against entry.

The Finance Manager will be responsible among other things for the finance input to these studies and for pulling together all other inputs to ensure a cohesive business plan and strategy document.

The successful candidate will answer to the Group Financial Controller and should:

- be a qualified accountant, aged probably between 28-35
- hold a responsible position either:
 - i) in accountancy practice, possibly having experience in the corporate finance or consultancy areas; or
 - ii) in industry and having financial or commercial experience of doing business overseas.
- have experience of project and investment evaluation and of the use of PC's and spreadsheet packages.
- be commercially alert and prepared for a reasonable amount of business travel, mainly in Europe.
- have well developed inter-personal skills.

Future prospects are excellent; these need not be limited to the finance function or the UK.

Highly attractive benefits package including management pension and family private medical schemes, share options and a fully-expensed car.

Full re-location package, including house purchase scheme, will be offered where necessary.

Initial meetings will be arranged locally, possibly outside office hours.

Write briefly or send CV to John Hearn at this address:

Hearn Healy & Partners

Management & Recruitment Consultants
50 Pall Mall, London SW1Y 5JQ
Tel: 01-930 3455

CHIEF ACCOUNTANT

Peterborough

To £30,000 + car

Our client is a leading publishing group. It wishes to appoint a young qualified accountant (ACA or ACMA) with approximately two years' operating experience, to join a Division which has achieved consistent annual growth of 20% in recent years.

Reporting to the Finance Director, the successful candidate will head a team of eighteen. With responsibility for financial and statutory accounting functions, the Chief Accountant's role will also include liaison with managers throughout the Division in order to consolidate and feed back vital financial information.

With the group's strong reputation for acquisitive and organic growth, career prospects are excellent, with early exposure to a dynamic business environment and opportunities for special project work.

Salary and benefits (including relocation assistance where necessary) will reflect the importance of this role.

Please call Elizabeth Jordan on 0753 857181, or send her your career details at Digby Moore Associates, Mountbatten House, Victoria Street, Windsor, Berkshire SL4 1HE. Fax: 0753 860696.

DIGBY MOORE ASSOCIATES
SEARCH · SELECTION

MORGAN GRENELL

Morgan Grenfell & Co. Limited, a leading Merchant Bank, is now seeking to strengthen its expertise in two specific areas through the addition of high calibre, young Chartered Accountants.

Banking & Advisory

The Banking Team structures and provides financing facilities for major UK corporate clients. An increasing proportion of its work involves the provision of advice on acquisitions and reconstructions, frequently working with the Bank's Corporate Finance Division. Whilst experience of similar work in the investigations department of a major accountancy firm would be an advantage, a confident and professional approach are prerequisites for this role.

Treasury Sales

The Treasury Services Group provides risk management expertise to both corporate and institutional clients. To meet the challenges of today's volatile markets, where prompt and efficient deal transaction is essential, this role requires a highly motivated individual with the imagination and intellectual ability needed to generate and execute complex transactions. Experience will be gained in a full range of sophisticated treasury products.

In addition to the ACA qualification gained through a Big 6 firm, the successful candidates will be aged 24-28, possess excellent academic records together with the proven analytical and communication skills which these high profile roles will demand. Remuneration will be highly competitive with an excellent range of banking benefits including BUPA, subsidised mortgage and a non-contributory pension scheme.

For further information please telephone or send your CV to Valerie Grassham, Joslin Rowe Associates (Financial Recruitment Consultants), Bell Court House, 11 Blomfield Street, London EC2M 7AY. Tel: 01-588 7287. Fax 01-382 9417

JOSLIN ROWE
Accountants

Chief Accountant

Central London

c£28,000 + Car + Benefits

Our client is one of the foremost professional services and support organisations in its field, representing on behalf of its membership, a significant market sector within the United Kingdom.

The services offered by our client include professional, technical and legal advice on all aspects of its members' business. Our client also operates an increasing number of commercial undertakings.

The organisation now wishes to strengthen significantly its finance function, in order to progress its stated aim of achieving significant and sustainable growth in its core commercial activities.

Reporting to the Director of Finance, the Chief Accountant will be responsible for all aspects of the accounting function including the supervision of a team of eight staff.

The successful candidate is likely to be aged over 30, with a recognised accountancy qualification and at least two years' experience in a service sector organisation.

A hands-on approach is required, together with the ability to work both independently and as part of the team, combined with a high level of energy and drive. The ability to be assertive and yet diplomatic is essential.

Interested candidates should contact Mike McLaren BSc ACA on 01-831 2000, or apply in writing enclosing a comprehensive curriculum vitae to Michael Page Finance.



39-41 Parker Street, London WC2B 5LH.

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

PROJECT ACCOUNTANT

East Midlands

c £25,000 + Bonus + Share Options + Car

Our Client, a listed company, is a leading and innovative force in the provision of marketing services, supplying an extensive range of highly effective products to a wide cross section of industry. The Group employs "state of the art" technology and is firmly committed to first class quality of product and of customer service. This has been the foundation for an enviable reputation and rapid growth, in the UK and overseas. In line with the high professional standards the Group has set itself, and its strategy for significant future growth, the Group Financial Director now seeks to appoint a Project Accountant.

The Project Accountant's role will essentially be one of reviewing and ensuring the provision of timely, accurate reported information from subsidiary companies, and the adequacy and effectiveness of systems and financial controls. This detailed and critical approach to the performance of the Group's financial mechanisms will be complemented by the undertaking of a wide variety of projects related to the control of resources, and to maximising the contribution of financial management to business planning, operational control, and profit performance.

Reporting to the Group Financial Director, the Project Accountant will be expected to fulfill the wide reaching requirements of his/her brief working largely on an independent, "freelance" basis and will be required to travel throughout the UK and overseas. As such the successful candidate must be highly self motivated, organised and possessed of the stature and confidence to enjoy working on his/her own without the support of a dedicated team of subordinates. On the other hand, the role also requires well developed interpersonal skills, adaptability, sensitivity and shrewd judgement of people to establish effective, positive working relations with the various subsidiary/indigenous management teams. Other adjectives indicative of the necessary characteristics include the following: mature; positive; versatile; and committed.

Applications are invited from young, qualified, practical Accountants seeking the opportunity to contribute to the direction and development of a very progressive business, and thus to make a decisive career move. Experience of financial management in a manufacturing or service-orientated environment and/or experience in the role of Company Accountant in a medium sized or large company would be useful in this appointment, although candidates wishing to move out of professional practice and having experience of assisting in the integration of acquired companies/undertaking capital investment appraisal will also be considered. Ability to communicate/conduct business in a European language other than English would be advantageous. In return the Group offers a challenging and involving workload, a highly competitive salary and benefits package, and excellent career prospects.

To apply for this position, please write with full career history and salary details, quoting reference B/274/90 to Alison Belfort.



Peat Marwick Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

Financial Director

Birmingham,

c £40,000, Plus Benefits

An energetic and highly successful public company that is continuing to expand both organically and by acquisition is now seeking to strengthen its management team by the appointment to a new position of a self motivated and ambitious Financial Director for its major subsidiaries.

The business, with Head Office in Birmingham, is capitalised at approximately £80m and operates mainly in the UK, Europe and the Far East.

The appointee, who will immediately join the board of the major UK and European subsidiaries and assume overall responsibility for all financial and accounting functions, will play a major role in contributing to commercial business decisions.

Candidates, probably aged 35-45, will be qualified accountants who can demonstrate sound commercial experience and practical success in planning and managing the finances of an industrial company. It is essential that you are computer literate and can communicate well at all levels.

In addition to the highly attractive package, relocation assistance will be given where appropriate.

Male or female candidates should submit in confidence a comprehensive C.V. or telephone for a Personal History Form to: G.J. Deakin, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1JD, 021-455 7575, Fax: 021-454 2338, quoting Ref: B18148/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

Financial Analysis and Systems Manager

Home Counties

c £38,000 + Bonus + Car

Our client, with revenues of £650 million and 35 operating companies, provides a broad range of goods and services worldwide, and has demonstrated strong profit growth in recent years. A commitment to efficient financial management and information technology are important factors in helping to achieve their objective of being the major force in each of their markets.

A challenging opportunity exists for a young high-flier to join a small Head Office team. Your major responsibilities will be the analysis of all business units' financial and business performances, instigating corrective actions where necessary, in addition to ensuring that efficient systems are in place for operational management and Group reporting purposes, advising on and helping implement improvements. Success will ensure rapid progression within this blue-chip Group.

Probably aged circa 30, you must be a qualified accountant

of high intellect. Ideally with operating company controllership experience. You should have good systems development experience and the ability to identify key operating ratios within diverse businesses. Effective communication skills are essential as is the ability to work on a project basis with sector companies and a willingness to travel.

Please write enclosing C.V. and daytime phone number quoting Ref. 417 to Barry Ollier, Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION



Internal Audit and Consultancy

London

c£28,000 + Benefits + Car

Elf UK, a subsidiary of one of the world's leading oil companies is to create a new audit function at its London Head Office.

The appointee to this role will assume responsibility for:

- * The establishment and development of an effective internal audit system.
- * The co-ordination of joint venture audits.
- * The identification of procedural weaknesses and the proposal of subsequent solutions.
- * Representing the company's interests in operated and non-operated joint venture audits.

The position will involve an element of travel in the UK and overseas. The individual will report to the Managing

Director and will be expected to contribute to the importance and growth of this function. Future international career prospects are limited only by the individual's ability and personality.

The person specification is tight and applications are invited from qualified accountants, aged 26-34, with oil industry or joint venture experience (either from within public practice or in-house). Linguistic ability would be ideal but the willingness to learn will suffice and will be encouraged.

For further information, or to apply for this position, please contact Gerard Davies on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH. (Fax number 01-831 2612).



Michael Page Finance
International Recruitment Consultants

Young, commercial, ambitious FINANCE DIRECTOR

London

Late 20's/early 30's

£35-40,000 + car + generous bonus

As the UK's leading producer of books, magazines and financial documents, St Ives plc has achieved outstanding results since coming to the market in 1985, with 25% compound growth in pre-tax profits and turnover currently in the region of £200 million.

St Ives has an impressive record of developing outstanding young accountants into successful general managers. They are promoted on merit and, once they have proved their worth, are rewarded accordingly. The current requirement arises due to the promotion of someone who joined St Ives barely a year ago.

The position is as Finance Director (initially Designate) of one of the group's major divisions which derives its turnover primarily from financial printing. Reporting to the division's Managing Director, the successful candidate will concentrate on two main areas: the interpretation

of financial information for management and the implementation of comprehensive and sophisticated new computerised systems.

A qualified accountant and in your late twenties or early thirties, you should already have demonstrated your business acumen either directly in industry or commerce or in consultancy, corporate finance or investigations work within a major professional firm.

If this opportunity appeals to you please write, showing how you match our requirements, providing full career details, current salary and day-time telephone number, and quoting reference 3118, to Graham Perkins, Executive Selection Division.

Touche Ross

52-54 High Holborn, London WC1V 6RL.
Telephone: 01-353 7361

Financial Controller

Birmingham

c.£30,000 + bonus + car

Our client is an expanding international shipping company, and part of an established group. Following a recent major restructuring, a Financial Controller is required for the 1990's during which considerable development is planned.

Reporting to the Managing Director and functionally to the Group's Finance Director in London, this appointment will be responsible for the full range of management and financial accounting systems, key tasks initially being the improvement of cash and asset control through the development of those systems. In the longer term the position will contribute to growth strategy and implementation.

Candidates must be Chartered or Certified Accountants, ideally aged over 30, with commercial experience in a fast moving organisation and preferably exposure to multiple currency transactions. Excellent communication and management skills are pre-requisites for success in the post, as are motivation and enthusiasm. There are prospects for a directorship within twelve months.

Please reply in confidence with full career, personal and salary details, quoting reference R189 to Derran Sewell, Ernst & Young Search and Selection, Lowry House, 17 Marble Street, Manchester M2 3AN.

Ernst & Young

Career Stepping Stones

COMPUTER & OPERATIONAL AUDIT

£25-35,000
+ mortgage etc

Varied ad hoc investigations and appraisals with a minimum of routine providing exposure at the highest level and an insight into all aspects of our client's substantial worldwide activities - an exceptional and well proven stepping stone for progression within the group.

Our client is one of the largest and most powerful financial groups with diverse businesses offering a wide range of career opportunities. Its London based group audit team is multi-disciplined and provides a vital contribution to the improvement of efficiency and performance by undertaking projects to evaluate and report on financial and operational control risks.

Applicants should be qualified accountants with audit experience, commercial awareness and analytical and communication skills. Promotion within the group has created several openings for those who have qualified within the last 5 years or so. Salary is therefore negotiable according to age and experience and a car will be included for the more senior appointments.

Please write enclosing a full career/salary history and daytime telephone number to David Tod BSc FCA quoting reference D/909/F.

Handwritten signature: *Handwritten signature*

UK FINANCE DIRECTOR

West London

£40,000 + BONUS + BMW + Options

Blenheim Exhibitions is a dynamic and fast-growing Group specialising in the organisation of exhibitions and conferences throughout Europe and the USA. Phenomenal growth, both organic and via acquisition, has placed the Group in a dominant position in the exhibitions market, and a high-powered Finance Director is required for the UK operations.

Based in West London and reporting to the UK Chief Executive, the successful applicant will be responsible for a staff of 20. Responsibilities will include all aspects of UK management reporting, as well as financial and operational controls, systems development and the integration of acquisitions. Of

crucial importance will be the ability to identify the management information needs of this expanding business and to provide directors with relevant and high quality information promptly.

Candidates should be chartered accountants in their thirties, able to demonstrate a track record of significant achievement to date within commerce or industry. They should be hard working, flexible and have a highly developed sense of humour.

Applicants should send a comprehensive CV to: Diana Godwin-Austen at Blenheim House, 137 Blenheim Crescent, London W11 2EQ.

BLENHHEIM EXHIBITIONS
GROUP PLC

Operations Accounting Controller

West Yorkshire

Our client is a group of companies with a multi-site manufacturing operation enjoying a turnover of £250m.

At a time of considerable organisational change and development, the group now seeks to recruit an Operations Accounting Controller who will be responsible for the Cost Accounting, Cost Estimating, Accounts Payable and Payroll departments.

Reporting to the Financial Director, the successful candidate will be an advisor to senior management on the formulation of strategy, establishing goals and achieving performance in cost management and related accounting

c. £27,000 + car + benefits

policy. The appointee will be a qualified ACMA with extensive financial, management and cost accounting experience, ideally gained in multi-site manufacturing environments and likely to be over 30 years of age.

Technical expertise must be supported by a strong management style with an emphasis on maturity, self-motivation, persuasiveness and stability.

Please send full personal and career details, including current remuneration and quoting reference F/640/B to Paul Bailey, Ernst & Young Search and Selection, Lowry House, 17 Marble Street, Manchester M2 3AW.

Ernst & Young



A Financial Move With A Future

Various Locations, Salaries To £32,000, Plus Excellent Benefits

There can be few opportunities for financial professionals that match the scope for personal development and career advancement offered now by British Rail.

With a multi-million pound investment programme and clear financial objectives across all areas of the organisation and with milestone developments such as the Channel Tunnel, the challenges are enormous.

To carry British Rail's plans through successfully, a number of key financial opportunities have been identified.

The vacancies are for ambitious financial professionals, whether fully qualified or in the process of qualifying, who demonstrate the expertise and capability to make a significant contribution in a rapidly changing environment.

Whether you will be implementing new systems and procedures, running a finance department or taking on full profit responsibility, you can be assured of a challenging career with excellent opportunities for advancement.

There are individual development programmes, and generous assistance is provided to complete (or continue) professional studies.

In addition, there is a competitive remuneration package, which includes generous leave entitlement, exceptional travel concessions and a range of other benefits.

If you have the drive and flexibility to succeed, British Rail can provide you with a first-class challenge. BR is an equal opportunities employer.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: M.A. Grant, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, Fax: 01-734 3738, quoting Ref: H13107/FT.

GROUP FINANCIAL DIRECTOR

NORTH WEST
to £42k (INCLUDING PROFIT SHARE)
PLUS SUBSTANTIAL BENEFITS PACKAGE

Our client is a leader in an exciting developing market associated with the motor, industrial and leisure sector. Established for over twenty years it is privately owned, employs 250 staff and has sales of £15 million per annum. There is potential to double the size of the Group organically over the next five years.

The post is a main board appointment and should be of interest to high calibre accountants who wish to play a significant role in the continued growth and development of a successful and highly ambitious Group.

The main responsibility of this position will involve continuous development of computerised management information systems, input into the strategic policy of the group, provision of financial and management accounts and the management of a department of 10 staff. The position reports directly to the Group Chairman.

Candidates must be well qualified (FCA), of graduate calibre, with an innovative approach to solving business issues. Sound experience of computerised management accounting systems is essential, and experience of European financial practices would be an added bonus. Excellent communication and interpersonal skills linked to a well-developed commercial acumen, are essential pre-requisites.

An excellent salary and benefits package is available, including profit share, re-location assistance (where appropriate), an executive car, pension and private health scheme. Interested candidates should write with full personal, career and salary details to the company's advisers, quoting reference 242/MJS.

WALTON
CHURCHILL
ASSESSMENT AND DEVELOPMENT
SPECIALISTS

Walton Churchill PLC
Britannic House, 32 High Street,
Northwich, Cheshire, CW9 5BL
Telephone: 0606 48438 (24 hrs)
Fax No: 0606 40269.

Divisional Accountant

Multi-site Leisure Business
North West Home Counties,
c £35,000, Car

Yours will be a high profile and influential role within this extremely successful and popular UK-based service sector Company which has realistic plans to double its £65m annual turnover over the next three years.

You will provide front-line accountancy support to one of the company's four principal Directors and be responsible for the total financial management and business development of one of the Company's major divisions.

Ideally aged mid twenties to early thirties with an ACA, you will have already achieved a successful multi-discipline accounting pedigree, dealing with all aspects of a total financial management role, including the preparation and maintenance of consolidated and operating financial statements as well as budgeting, forecasting, investment and acquisitional activities. Alternatively, two years' solid post qualification experience with a blue chip accounting practice would be acceptable.

A blend of highly developed interpersonal skills combined with entrepreneurial flair is an essential ingredient to ensure that the successful candidate maximises their potential to grow with this position, to the most senior of levels within the Company.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: A.J. Felstead, Hoggett Bowers plc, 34 St. Peter's Street, ST. ALBANS, AL1 3NA. 0727 45677, Fax: 0727 48775, quoting Ref: T12002/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

BOROUGH TREASURER

£35,000 up to £42,000 with PRP

Generous package

Including car

This is an opportunity to join the Management Team of an organisation that has taken a long hard look at itself and set a new direction. We have established a track record of innovation in our financial affairs, and are seeking to build on that further.

Service managers are looking to the finance function to help them to grasp the challenges that face them in competing with the private sector, and running their operations as a business.

The key qualities that we are looking for are a blend of leadership skills, a breadth of professional financial expertise, and a track record of developing and implementing new solutions. We are developing a performance management culture, and your experience should be such that you can make an immediate impact in the corporate direction of the authority, working with Members and colleagues as part of the top team.

The package we offer is very attractive. We set our own local pay rates, reward performance through salary and bonuses, offer a free lease car, pay up to £6,000 towards relocation costs, plus a range of other benefits to be expected from an organisation determined to recruit and retain quality staff.

A package of further information about the organisation, the job, the challenges and how to apply are available by telephoning our 24 hour answerphone on 0372 744911. Written requests to Graham Petty, Assistant Chief Executive (Policy), Epsom and Ewell Borough Council, Town Hall, the Parade, Epsom, Surrey KT18 5BY.

Closing date for applications will be 27th April 1990.

Epsom

FINANCE MANAGER

New business unit: strategically managing growth

The Manulife Group, the UK subsidiary of a Canadian financial services group with interests worldwide, has an impressive record of recent growth and, committed to continued future expansion, has recently completed a strategic restructuring. A new sales subsidiary with sizeable existing revenue and approximately 900 staff has been created: increased autonomy will allow a greater focus on the unit's growth.

Consequently, an opportunity has arisen for an experienced Financial Manager to play an important role, as part of a close-knit management team, in the unit's future development. Managing a team of 6 staff, and taking overall control for the development of finance and administration systems, there will be considerable liaison with senior sales management: providing accurate information and strategic input to ensure business growth can be effectively channelled.

The successful candidate will have experience of managing a developing finance function, ideally with exposure to complex payroll or credit management issues. Whilst a recognised accounting qualification would be a distinct advantage, interpersonal skills are more important: the confidence and ability to control sales staff is particularly essential.

Please apply directly to Mark Ehrlich at Robert Half, Freeport, Walter House, Bedford Street, 478 The Strand, London WC2R 0BR. Telephone 01-836-3545, or evenings on 01-556 3615. Alternatively, fax your details on 01-836 4942.

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Huggins
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ext 3559

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FINANCE DIRECTOR DESIGNATE

..... with strong general management bias

North Manchester

Age: 30-40

£30-£35,000

exec. car and benefits

Operating in a buoyant FMCG marketplace, our client has a proven history of success and profitability. This privately-owned company, employing 200 people, manufactures a range of specialist products which are sold, branded and own label, through the leading national retailers.

Its progressive executive team has been the key to its success and the company is looking to strengthen that team by recruiting a talented, financial professional to help spearhead its drive towards sustained growth, both organically and through acquisition. Assuming overall responsibility for the finance function, you will focus your immediate attention on the improvement of management information systems and controls. As well as giving positive direction to your financial team, you will make an essential contribution to the general management of the company, including the direction of the future development of the business.

To undertake this role successfully, you will be a qualified accountant who has already held broad, senior-level responsibility or has the potential to do so. In any event, you will possess well-honed commercial skills, a communicative personality and a zest for total involvement in the future of this company.

Please apply to our Manchester office where your contacts are Audrey Shaw and Dudley Harrop. M358

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ASB RECRUITMENT LTD

Amethyst House, Spring Gardens,
Manchester M2 1EA. Tel: 061-834 0618
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XII

OXFORD CITY COUNCIL

Oxford with its unique combination of modern manufacturing industry, ancient university buildings, and neighbouring Cotswold countryside provides an interesting and attractive environment in which to live and work.

CITY TREASURER'S DEPARTMENT

GROUP AUDITOR (PROBITY/SYSTEMS REVIEW)

(Ref. No. 5) PO26 £22,628 - £24,169 per annum
(Includes 10% Temporary Recruitment Incentive)

The opportunity has now been taken to reorganise the Audit Division in readiness for the anticipated legislation concerning competition for financial services. It is the Authority's ultimate intention to provide audit services which not only meet the demand of its clients but are sought after by other public service bodies.

A qualified accountant (CIPFA or CCAB) you should have at least two years financial experience at a senior level in the public sector. The ability to undertake and resolve special investigations is essential as is the ability to communicate with, motivate and manage other staff.

Closing Date: 20th April 1990.

Our generous benefits package includes:-

- Flexi-time
- Job share provision
- Generous relocation package up to £5,500 in approved cases including where applicable mortgage assistance/really share scheme
- Maternity/paternity support provisions
- Childcare subsidies
- Pension scheme

Application forms and further particulars are available from the Personnel Officer, 28-31 St Ebbe's Street, Oxford, OX1 1EP. Telephone Oxford 252465. Your call will be received by an answerphone service. The Council Offices will be closed from the 19th April to the 17th April inclusive, the answerphone service will cease on Thursday the 12th April at noon. We expect all our employees to have an understanding of and commitment to our equal opportunities policies.



WORKING TOWARDS EQUAL OPPORTUNITIES



AUTOMOTIVE DEVELOPMENT CENTRE LTD.

FINANCIAL CONTROLLER

£25K + ATTRACTIVE PACKAGE
+ INCLUDING FULLY
EXPENSED CAR

THE COMPANY: ADC is one of Europe's foremost automotive design & development centres.

THE CANDIDATE: The successful candidate will be a qualified accountant with a strong track record in management accounting and experience of sophisticated project costing systems.

THE ROLE: Reporting directly to the Managing Director the controller will be responsible for the maintenance and development for all financial and management information systems.

Applications in writing with cv should be addressed to: Mr R.A. Barker, Personnel Manager, Automotive Development Centre Ltd, Osborn Road, Luton LU1 3HJ

HOTEL FINANCIAL CONTROLLER CARIBBEAN

Exceptional opportunity for a qualified Financial Controller with hotel experience in a newly expanded luxury hotel project on a beautiful, large, English-speaking Caribbean Island. Salary Range - £25,000/£30,000. Please write with full C.V. to: Hotel Properties, Suite 500, Chesham House, 150 Regent Street, LONDON, W1R 5FA.

FINANCIAL CONTROLLER COMPUTER COMPANY

At £15m our clients have doubled their turnover in the last 6 months and look set to continue. Such pace is risky unless the financial management and its systems can keep ahead.

They are looking for a Financial Controller who is qualified, has Director potential, entrepreneurial leanings, some experience of the computer business and can run a tight ship.

West of London location, car and more than competitive salary.

Write initially to Mrs. B. Dickens at Goodman Jones, 29/30 Fitzroy Square, London, W1P 5HH.

FINANCIAL CONTROLLER HAYES, MIDDLESEX

We are a medium sized company trading in a perishable product. The company forms part of a Major International Group. Applicants for the position should be a qualified accountant, aged 28-35 with commercial experience and be computer literate, with a shift sleeve approach. The duties will include the day to day financial management, company secretarial duties, enhancement of the Computerised system and preparation of monthly management accounts - reporting to the Managing Director, and the holding company abroad.

Write Box A781 Financial Times,
One Southwark Bridge, London SE1 9HL

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Jennifer Hudson ext 3607 Richard Huggins ext 3460
Sarah Gabe ext 3199 Stewart Maddock ext 3392

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

Help us make the most of our natural resources

CHESTER

The National Grid's pumped storage facilities at Dinorwig and Pistnagog in North Wales are a unique business with a crucial role to play in the maintenance of the nation's electricity supply.

As one of the new competitive Generators, it purchases energy cheaply overnight enabling generation within seconds, to cope with sudden surges in demand and at peak times during the day.

Already a key asset, these facilities are becoming a major source of revenue to the National Grid Company since privatisation. The following Chester based roles will be crucial to the management of this business, offering excellent opportunities to help shape the future development of an important new commercial organisation.

Financial Accountant to £35,000

You will be responsible for preparing statutory accounts, liaising with auditors, handling corporate taxation, preparing monthly accounts, treasury reporting - in fact the full range of financial accounting duties. Chartered or Certified Accounts qualifications are required, along with relevant experience. (Vacancy No. 066A/90).

Management Accountant to £35,000

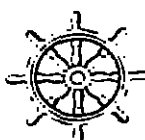
You will be closely involved in budgeting for profit and loss, cash flow and balance sheets using flexible, zero based or other methods. Other responsibilities will include feasibility studies, responsibility accounting at management level and financial systems development. You should have ACMA qualifications. (Vacancy No. 066B/90).

For both posts we offer an attractive remuneration package which includes executive car and other benefits, consistent with your status, experience and position within the company, including relocation where necessary.

Please send a current CV or telephone 01-620 8824 for an application form. These should be sent to: Personnel Officer (Services), National Grid, National Grid House, Summer Street, London SE1 9JU, to arrive no later than 13th April 1990, quoting the appropriate vacancy number.



Committed to Equal Opportunities.



Plymouth Health Authority PLYMOUTH

For further information contact:
Accountancy Personnel
Pearl Insurance Building,
50 Royal Parade,
Plymouth, Devon
PL1 102,
Tel: 0752 60117.

There is no more exciting time than the present for you to consider a move to the Health Service, particularly with the recent Government White Paper acting as the catalyst to the fundamental changes which are already taking place. Committed to providing all health care in South West Devon and hospital services for parts of East Cornwall, the Authority is one of the largest employers in the area with over 7000 staff and a budget of £100 million.

As a computer auditor you will undertake project based assignments related to both financial and non-financial computer systems, both of which are being developed at a very fast pace. A qualified I.A. is sought, nevertheless outstanding technical ability is more important than formal qualifications. Prospects for advancement from your middle management position are excellent. Make a healthy career move by contacting Accountancy Personnel in the first instance.

COMPUTER AUDITOR

£20,000 + Lease Car



PENSION FUND CONTROLLER

SE1 £15,000-£17,000 + Exc. Benefits

John Govett and Company Ltd, a leading firm of fund managers, with pension funds totalling £550 million, now seeks a pension fund controller.

The position requires an ability to deal with both clients and fund managers, thus communication skills are of the utmost importance as is the ability to work to tight deadlines.

The successful candidate will have previous accounts experience in a similar environment and must be able to accept and promote new ideas.



APPLIED POWER TECHNOLOGY U.K. SERVICES LIMITED PART QUALIFIED ACCOUNTANT

KNIGHTSBRIDGE £18,000-£20,000

This dynamic and diverse holding company based in Knightsbridge have just created a vacancy for a Part Qualified Accountant. You will be overseeing all accounting records and establishing new accounting systems, as well as providing support to the financial controller. For a go-ahead candidate keen to work in a frame work of smaller companies, this opportunity offers outstanding prospects and excellent benefits. REF: LG/RW.



Accountancy Personnel

You don't just count you matter

Hays

Finance Director Designate c. £45,000 + car

We are a leading International Financial Services and Commodities Trading House with offices throughout the world.

Because of substantial growth we are creating the position of Finance Director - Brokerage Division. Based at our London Head Office, he/she will be fully responsible for Financial Management of this major Division with offices in centres worldwide. The successful candidate should be a graduate Chartered Accountant aged 30-35. He/she should possess superior inter-personal and communication skills. City experience an added plus.

This is a high profile position with excellent prospects for career advancement. The position involves regular travel to overseas offices.

Please reply in strictest confidence to: Box No A788, Financial Times, 1 Southwark Bridge, SE1 9HL.

EUROPEAN BUSINESS ANALYST

Central London

c£38,000 plus car

A major plc with substantial worldwide interests now seeks an exceptional business professional to join the head office corporate management team.

The successful candidate will help to develop corporate strategy particularly in Europe, identify acquisition opportunities, assist in negotiations as necessary and review post acquisition performance.

Candidates should be aged between 27 and 34 and should ideally have an MBA and be able to demonstrate an excellent track record with some acquisition experience. Business flair, creativity and excellent communication skills are considered essential as is fluency in at least one European language, particularly French, German or Spanish.

The successful candidate will enjoy a high profile with exposure to the main Board; an attractive remuneration package will be offered which will include a fully expensed car, contributory pension scheme, profit share and share options.

Interested candidates should send a curriculum vitae, including details of current remuneration and a daytime telephone number, in the strictest confidence to:-

HODGSON
IMPEY

Anne Grant (Ref 118)
HODGSON IMPEY
SEARCH & SELECTION LTD
50 Pall Mall
London SW1Y 5JQ

Group Financial Controller

Brighton

c. £29,000 + car and benefits



Our Client is a major provider of motoring services. Established over 60 years, the group has diversified and now provides a wide range of services from road rescue, insurance, financial services including a personalised credit card, to travel and holidays and recreational facilities through its country club and leisure park. The company, in particular its wholly owned subsidiary Britannia Rescue, has ambitious business projections that include growth in numbers as well as the range of benefits to present club members.

We are seeking a Group Financial Controller who will make a tremendous contribution towards the future development of the organisation.

Reporting directly to the Group Chief Executive and supported by a professional team, you will be responsible for the day to day running of the accounts department, systems development and the production of budgets and forecasts in conjunction with other department heads.

In addition you will attend board meetings, providing a professional financial presence and advise the Group Chief Executive on all financial matters.

The Group Financial Controller will also take a lead role in investment. Insurance, underwriting and other associated technical financial matters are also key elements.

To run the group financial function you will need to be an experienced accountant, qualified CA or CCA with at least 4 years post-qualification experience, including management experience in a membership based business, ideally financial services. You will also need to be commercially mature and have a thorough knowledge of computerised accounting.

This represents an opportunity to join a busy and expanding organisation in a highly influential and varied role.

Please write in confidence quoting reference BM102 to John Cornish, MDS The People Business, Wexmouth House, 9-11 Gervis Place, Bournemouth BH1 2AL.



FINANCE DIRECTOR

FMCG with commercial emphasis

North West

Age: 30's

to £35,000 package

+ exec. car and benefits

With a turnover of £30m, our client is a highly autonomous core subsidiary of a substantial international plc specialising in food manufacture and distribution. The company manufactures a range of well-known branded goods, its unique logo endorsing quality and reliability, as well as selling "own label" through the major multiples. They also exercise sole UK distribution rights for a range of products imported from the Continent. Future plans predict increasing plant capacity, innovative product extensions and possible acquisitions.

Working closely with the Managing Director, you will head an experienced finance and DP team of 25. Present systems are well-established, but need your constant input and review to guarantee prompt and meaningful reporting. Particular areas for attention include credit control, foreign currency and margin management - the latter reflecting the need to respond quickly to the demands of a fast-moving, competitive and consumer-oriented business. Your fellow Board members will look to you to provide the financial perspective on a broad spectrum of day-to-day and strategic decisions.

To be effective, you will be a qualified accountant whose technical expertise is combined with proven man-management skills. A knowledge of the food industry would be an advantage, while a business-minded and commercial approach is essential.

Please apply to our Manchester office where your contacts are Andrew Shaw and Dudley Harrop. M361



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Finance Director for major subsidiary of

Hanson PLC

£37,500 + Car + Bonus

A major subsidiary company of HANSON PLC, based in the Midlands, is looking for a Finance Director to take full responsibility for the finance and allied functions and to play a major role in the future development of the company.

The candidate will be a Chartered Accountant or equivalent, aged 35/40 who will have had hands on experience in a computerised manufacturing environment. The ability to motivate and work with people is of prime importance.

In addition to a salary of c.£37,500 and a company car, the remuneration package includes bonus and share options together with other benefits.

Please write enclosing your CV and daytime telephone number to:
Write Box A792, Financial Times,
One Southwark Bridge, London SE1 9HL.

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